



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

China

**FBIS-CHI-95-106
Friday
2 June 1995**

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

China

FBIS-CHI-95-106

CONTENTS

2 June 1995

NOTICE: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Further From Foreign Ministry Spokesman	1
Views Tiananmen Anniversary [Hong Kong TV]	1
On U.S.-Russian Missile Plan [AFP]	1
Further on Missile Cooperation [ZHONGGUO XINWEN SHE]	1
U.S., DPRK To Continue Nuclear Talks [XINHUA]	1
Iranian President, DPRK Minister Meet [Beijing International]	2
Kozyrev on 'Molding' New Russia-NATO Ties [XINHUA]	2
Vice Premier Li Lanqing To Visit Russia, Europe [XINHUA]	3
Song Jian Makes Proposal at UN Meeting [XINHUA]	3

United States & Canada

Further on Li Teng-hui's Upcoming U.S. Visit	4
Visit 'Private, Low-Profile' [AFP]	4
Foreign Ministry Spokesman on Visit [ZHONGGUO XINWEN SHE]	4
U.S. Decision 'Open Affront' [ZHONGGUO TONGXUN SHE]	5
MFN Decision Linked to Crackdown on Dissidents [Hong Kong EASTERN EXPRESS 29 May]	6
'Roundup' on Intended U.S. Military Action in Bosnia [XINHUA]	7

Central Eurasia

Yeltsin Appoints Ignatenko Deputy Premier [XINHUA]	8
Jiang Zemin Receives CIS Ambassadors [XINHUA]	8
New Envoy to Ukraine Presents Credentials [XINHUA]	8

Northeast Asia

Vice President Rong Meets Japanese Delegation [XINHUA]	8
Submarine Fiber-Optic Cable Links Shandong, ROK [XINHUA]	9

Southeast Asia & Pacific

Beijing, Jakarta Sign Machinery Products Accord [XINHUA]	9
Beijing To Repair National Theater in Burma [XINHUA]	9
Papua-New Guinea 'Warned' on Taipei Links [Melbourne Radio]	9
MOU Signed With Singapore Foreign Ministry [XINHUA]	9

Near East & South Asia

Zhu Rongji Meets Bahraini Finance Minister [XINHUA]	10
Sino-Indian Labor Cooperation Agreement Signed [XINHUA]	10

NATIONAL AFFAIRS

Political & Social

State Leaders at Young Pioneers Congress Opening [XINHUA]	11
Jiang Zemin Present [XINHUA]	11
CPPCC Standing Committee Opens 13th Meeting [XINHUA]	11
Hu Jintao Calls For Better Child Care [XINHUA]	12
'Source' Views Zhao Ziyang's 'House Arrest' [Hong Kong SOUTH CHINA MORNING POST 2 Jun]	12
Wang Dan, Writer Under 'Residential Surveillance' [Hong Kong SOUTH CHINA MORNING POST 2 Jun]	13
Security Stops Dissident Chen Ziming From Outing [Hong Kong MING PAO 2 Jun]	13
Mayor on New Beijing Government Leadership [Hong Kong WEN WEI PO 11 May]	14
Circular on Rules for Cadres Declaring Income [XINHUA]	14
Ministry Reports 128 Killed in Disasters [CHINA DAILY 1 Jun]	15
Central Authorities To Inspect Car Use by Cadres [XINHUA]	16
Commentary Hails Children's Day [CHINA DAILY 1 Jun]	16
Table of Contents for QIUSHI No 11 [RENMIN RIBAO 30 May]	17

Science & Technology

New Advances Made in Controlled Fusion Research [XINHUA]	17
Officials Stress Economic Role of Science [CHINA DAILY 1 Jun]	18
Commentator on Industrializing High Technology [XINHUA]	19

Military & Public Security

Party Instructs Media To Report More on Military [Hong Kong HONGKONG STANDARD 2 Jun]	20
*PLA Medical Official Views Medicine Management [RENMIN JUNYI 28 Feb]	21

ECONOMIC AFFAIRS

General

Qiao Shi Discusses Law, Economic Efficiency [XINHUA]	25
Efforts Made To Attract Rail Sector Investment [CHINA DAILY 1 Jun]	27
Cities Along Chang Jiang Form Economic Zones [XINHUA]	27
Report Given on Controlling Industrial Pollution [XINHUA]	28
Committee on Vocational Qualifications Inaugurated [XINHUA]	28
Firms Penalized for Violating Movie Copyrights [XINHUA]	29
Air Conditioners Sales Increase in Cities [XINHUA]	29
Inflation Control Termed 'Uphill Battle' [Hong Kong WINDOW 2 Jun]	30

Finance & Banking

Bank of China Says Treasury Bonds Sold Out [CHINA DAILY 1 Jun]	31
Report on Zhengzhou Commodities Exchange [XINHUA]	32

Foreign Trade & Investment

MOFTEC Says 'Better Cooperation' With Hong Kong [ZHONGGUO XINWEN SHE]	32
Japanese Banks Agree on Loan to Steel Industry [XINHUA]	33
U.S. Business Information Hotline Launched [XINHUA]	33
Crackdown on Copyright Piracy Continues in Beijing [XINHUA]	33
Report on Hainan's Yangpu Development Zone [XINHUA]	33
Property Appraisers To Train in U.S. [XINHUA]	34

Agriculture

Hebei Province Expected To Have Good Wheat Harvest [XINHUA]	34
*State Farms Increase Crop Area in 1995 [JINGJI CANKAO BAO 24 May]	34

REGIONAL AFFAIRS

East Region

Fujian's Jia Leads Delegation to U.S., Canada [Fuzhou Radio]	35
*Jiangxi Meeting on Corruption [JIANGXI RIBAO 5 Apr]	35
Shanghai Circular Views Enterprise Ethics [JIEFANG RIBAO 15 May]	38
Shanghai's Airport Expansion Program [XINHUA]	39

Central-South Region

Guangzhou Promotes Non-Communist Officials [XINHUA]	39
Guangdong Executes 51 Drug Criminals [Guangzhou Radio]	40
Guangdong Makes Progress in Anti-Narcotics Drive [Guangzhou Radio]	40
Guangdong Approves Airport, Plans More Expansion [CHINA DAILY 1 Jun]	40
Guangdong Provincial Law Forbids Price Gouging [XINHUA]	41
Guangxi Province Expands Highway Construction [XINHUA]	42
Guangxi To Use 'Transfer Method' for Plant [XINHUA]	42
More Oil Found Around Hainan Island [XINHUA]	42

North Region

Hebei Governor Views Importance of Reemployment [HEBEI RIBAO 17 May]	42
Tianjin Issues Regulation on Technology Zone [XINHUA]	44

Northeast Region

Heilongjiang Issues Court Work Report [HEILONGJIANG RIBAO 6 Mar]	44
--	----

PRC MEDIA ON TAIWAN AFFAIRS

Report Views ARATS-SEF Talks in Taiwan [Beijing Radio]	50
Commentary Warns Against Li Teng-hui's U.S. Visit [Beijing Radio]	51

TAIWAN

Further Reportage on Li's Upcoming U.S. Visit	52
Office Announces Itinerary [CNA]	52
No Need To 'Overreact' [CNA]	52
ICBM Testing 'No Impact' on Taiwan [Taipei CHUNG-KUO SHIH-PAO 1 Jun]	53
Li Reviews 3d Military Exercise in Two Weeks [CNA]	53
Fishing Boat Seized, Looted by Mainland Vessels [CNA]	54
Philippines Refuse Entry to 'Fleet of Friendship' [CNA]	54
Rules for Mainland Reporters Eased [Taipei TZU-LI WAN-PAO 31 May]	54
Taiwan, Hanoi Expected To Sign Taxation Accord [CNA]	55
Taiwan Promises Import of 1,000 Mexican Cars [CNA]	55
Foreign Currency Deposits Decrease in Apr [CNA]	55
Central Bank Studies Easing Credit Controls [CNA]	56
Manufacturing Output Up 20 Percent in Jan-Apr [CNA]	56
Private Industry To Benefit From Aerospace [CNA]	56
Taiwan Shares Economic Development Experience [CNA]	57

HONG KONG & MACAO

Hong Kong

Further on Hong Kong Court of Final Appeal	58
Official on Progress of Court [XINHUA]	58
'Dramatic Turnaround' Viewed [Hong Kong HONGKONG STANDARD 2 Jun]	58

Further on Vietnamese Refugee Repatriation	59
Repatriation Flights Canceled [<i>Hong Kong HONGKONG STANDARD 2 Jun</i>]	59
U.S. Resolution Criticized [<i>Hong Kong HONGKONG STANDARD 2 Jun</i>]	59
Hong Kong Figures Show Increase in Unemployment [<i>XINHUA</i>]	60

General

Further From Foreign Ministry Spokesman

Views Tiananmen Anniversary

*HK0106143295 Hong Kong Television Broadcasts
Limited in English 1200 GMT 1 Jun 95*

[From the "News at 8:00" program]

[FBIS Transcribed Text] China has ruled out any reevaluation of the 1989 pro-democracy movement. That follows a series of petitions by intellectuals and dissidents seeking a review in the runup to the June 4 anniversary. Diana Yeung sent this report from Beijing:

[Begin recording] [Yeung] Despite ongoing petitions for a reevaluation of the June 4 movement, the Chinese Foreign Ministry today dashed the hopes of many.

[Foreign Ministry spokesman Chen Jian, through interpreter] Clearcut conclusion has been made on the June 4 incident. To continue to make trouble on this issue is of no positive meaning.

[Yeung] Chen Jian evaded questions of whether the petitioners have posed any genuine threat to the government, but added they will be dealt with according to Chinese laws.

[Chen, through interpreter] Chinese society is enjoying stability. The Chinese Government is going to further consolidate China's stability.

[Yeung] Beijing may not admit it, but as the June 4 anniversary draws near, the authorities are getting apparently quite nervous. A CPPCC [Chinese People's Political Consultative Conference] member believes the tightened security, which has become an annual exercise, may end up provoking, rather than preventing, a repeat of the mass protest in 1989.

[CPPCC member Wu Zuguang, in Mandarin] They have a psychology of fear and suspect everybody of subverting the regime. I feel this is going too far. Because the situation is not what they think.

[Yeung] Wu is also one of the dozens of petitioners who submitted a letter to the top leaders to call for political reform. He criticized the government for acting like a crazy man in the 1989 movement and believed only if Beijing found out who's responsible for the killings would it be cleared of the stigma of its own wrongdoing. Diana Yeung, TVB News, Beijing. [end recording]

On U.S.-Russian Missile Plan

*HK0106115295 Hong Kong AFP in English
1116 GMT 1 Jun 95*

[FBIS Transcribed Text] Beijing, June 1 (AFP)—China on Thursday denounced an agreement between the United States and Russia to strengthen their anti-ballistic missile treaty, saying it could lead to a new arms race.

"We hold that this will not benefit the strategic balance and stability in this region and the world at large," said a spokesman for the Foreign Ministry, Chen Jian.

"To the contrary, we are of the view that this proposal will trigger a new round of arms races and will do no good to the nuclear disarmament process," he said at his weekly news conference.

"Therefore we are concerned with this, and hope the relevant parties will act with prudence," he said.

During a visit by U.S. President Bill Clinton to Moscow last month, the United States and Russia released a communique on the limited use of their ballistic missile defense systems.

Under terms of the communique, the systems may be deployed by each side as long as they do not pose a threat to the strategic nuclear force of the other side.

Further on Missile Cooperation

*HK0106145095 Beijing ZHONGGUO XINWEN SHE
in Chinese 1229 GMT 1 Jun 95*

[FBIS Translated Excerpt] Beijing, 1 Jun (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Chen Jian revealed this afternoon that both sides were satisfied with the Sino-Vietnamese talks on land boundaries that ended a few days ago. [passage omitted]

Media have reported that the United States and Russia signed an agreement on participating in the war-zone ballistic missile defense scheme. Chen Jian commented on these reports, saying that the scheme works against the regional and global strategic balance and stability, may trigger a new arms race, and does not help the process of nuclear disarmament. China is concerned about this development and hopes that the parties concerned will proceed with caution. [passage omitted]

U.S., DPRK To Continue Nuclear Talks

*OW0106163595 Beijing XINHUA in English
1446 GMT 1 Jun 95*

[FBIS Transcribed Text] Kuala Lumpur, May 31 (XINHUA) — The United States and the Democratic People's Republic of Korea (DPRK) are expected to continue their talks here despite the lack of progress in

resolving their differences over the provision of light-water reactors to the DPRK.

The two delegations led by U.S. Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs Thomas Hubbard and DPRK Vice Foreign Minister Kim Kye-kwan respectively, had another brief meeting at the DPRK Embassy here today, but with no progress reported.

The meeting, starting at 11 AM, lasted less than half an hour. After that, Hubbard told reporters that discussions will continue here though he had no progress to report.

But he did not tell when the next meeting would take place.

DPRK delegation member Chong Song-il confirmed that both sides agreed to continue talks.

He told reporters that the brief meeting today was to "take stock of our respective positions."

Both sides declined to reveal their current positions.

As the daily session is getting shorter and there is no breakthrough on the major issue, rumors began to start about a winding-up of the talks here and a change of venue. Yesterday, both teams met for about half an hour.

The talks, resumed on May 20, have centered on the DPRK's rejection of South Korean light-water reactors.

Washington and Pyongyang reached a framework agreement in Geneva last October in which Pyongyang committed to abandon its nuclear program in exchange for a U.S. supply of light-water reactors for energy generation.

Their talks for the implementation of the agreement failed in Berlin last month as both sides could not agree on the type of reactors to be supplied to DPRK.

Pyongyang sees South Korean reactors as unsafe while Washington describes them as U.S. designed and of high quality.

Iranian President, DPRK Minister Meet

SK0106131295 Beijing China Radio International in Korean 1100 GMT 1 Jun 95

[FBIS Translated Text] Iranian President Hashemi-Rafsanjani said on 30 May that by further strengthening ties with the DPRK, Iran is jointly making efforts to deal with pressure from the United States. He expressed as such while meeting DPRK Foreign Minister Kim Yong-nam who is visiting Tehran.

President Hashemi-Rafsanjani pointed out that Iran and the DPRK are jointly standing on the one road of struggle opposing U.S. hegemonism and power

politics, and that they support each other amid difficult circumstances.

Foreign Minister Kim Yong-nam said that the DPRK Government and people support Iran's Islamic revolutionary movement, and denounced the trade embargo recently carried out by the United States against Iran. He said that the main purpose of the United States is to apply pressure on developing countries such as Iran and the DPRK to make them give up the basics of independence and sovereign rights. He also said that the developing countries must strengthen mutual cooperation.

Kozyrev on 'Molding' New Russia-NATO Ties

OW0106160995 Beijing XINHUA in English 1459 GMT 1 Jun 95

[FBIS Transcribed Text] Noordwijk, The Netherlands, May 31 (XINHUA) — Russian Foreign Minister Andrey Kozyrev stressed today that molding new relations between Russia and NATO will become an important element in the new security and stability system in Europe.

He also announced Russia's formal acceptance of the Partnership for Peace (PfP) program and the document of Areas of Broad and Profound Dialogue and Cooperation between Russia and NATO at a one-day meeting of North Atlantic Cooperation Council in the Dutch coastal town of Noordwijk.

"Our priority is developing a system of general and comprehensive security for Europe for a long perspective," said Kozyrev.

He stressed that such a system must ensure the construction of an "undivided Europe" and the cooperation and coordination of efforts of "all countries belonging to the Euro-Atlantic Region."

Kozyrev said the evolution of European structures, and NATO above all, is "an essential element" of the future Pan-European security system and European equilibrium.

"If the alliance wishes in practice to become a part of the Pan-European security system, it must get transformed from a military alliance to a political organization with corresponding changes in NATO institutes and basic documents," he noted.

He said that preserving the current NATO as "a purely military bloc" would "run counter to the trends of molding a single Europe."

It should be clarified "whom NATO is going to defend itself against," Kozyrev stressed.

He expressed Russia's interests in a dialogue on transforming NATO and in establishing special relations with it and members of the alliance.

However, he reiterated that Russia's position regarding NATO's expansion "has remained invariable" and that Russia continues to believe the expansion "does not meet either the interests of Russia's national security or the interests of European security as a whole."

He warned that a "hasty resolution" of the issue may threaten the establishment of constructive relations between Russia and NATO and Russia's involvement in the PfP.

Instead of considering ways for NATO expansion, "we need to focus on methods of building jointly a single Europe," he said, calling it the key issue to define the future role of NATO and its other organizations.

NATO Secretary-General Willy Claes said Russia's acceptance of the PfP program and enhanced dialogue and cooperation beyond PfP provided "a key foundation stone for the new European security architecture."

He expressed NATO's hope for its implementation to go ahead "quickly and comprehensively," and for "extending it to a range of new areas."

He reassured that NATO's enlargement "is not directed against Russia nor does it diminish the national security interests of Russia."

Vice Premier Li Lanqing To Visit Russia, Europe

OW0206092595 Beijing XINHUA in English
0910 GMT 2 Jun 95

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — Chinese Vice Premier Li Lanqing will lead a Chinese Government delegation to Moscow on June 12 to participate in the third meeting of Sino-Russian Economic, Trade, Scientific and Technical Cooperation Committee, official sources said here today.

After the Moscow meeting, Li is also scheduled to visit Finland, Norway, Iceland and Sweden, where he will hold talks with officials of these countries on developing bilateral economic and trade relations, the sources said.

Song Jian Makes Proposal at UN Meeting

OW0106134995 Beijing XINHUA Domestic Service
in Chinese 1548 GMT 22 May 95

[By reporter Yu Yueliang (0205 6460 5328)]

[FBIS Transcribed Text] Nairobi, 22 May (XINHUA) — Song Jian, head of a Chinese Government delegation and state councillor, put forward a five-point proposal on behalf of the Chinese Government for promoting trans-

century global environmental protection, at the plenary meeting of the 18th session of the Governing Council of United Nations Environment Program (UNEP) at the UNEP headquarters today.

Song Jian, who is also chairman of the State Council Environmental Protection Committee, said: The global economic development should be brought into harmony with environmental protection. Environmental protection is a common task of mankind, but developed countries should bear the primary responsibility for it. To protect the environment, it is necessary to strengthen international cooperation. All countries should follow the guidelines of the 1994 Cairo UN Conference on Population to strive to control population growth. Scientific research on global environmental problems should be intensified.

Song Jian said: A proper environmental policy system and sustainable use of resources are the foundation for economic development and social progress. Strenuous efforts should be made to protect forests, plant trees, develop eco-agriculture, limit industrial impact on the environment, and control excessive consumption.

On the obligations of developed countries, Song Jian said: Present environmental problems are mainly accumulated from excessive consumption of resources and large discharge of pollutants by the developed countries. Therefore, they should take the lion's share of obligations in terms of financial and technological transfer and take practical actions to help developing countries.

On international cooperation, Song Jian said that the environment of mankind can be protected only by promoting global cooperation, establishing partnership relations, and bringing about common progress and prosperity. He emphasized that in international cooperation, countries should respect each other's sovereignty and not interfere in other's internal affairs.

On stepping up environment-related scientific research, Song Jian said: We should encourage scientists in the geological, ancient climate, environmental, and oceanographic fields to step up in-depth research on major environmental questions.

Song Jian highly praised the active and effective role played over the years by the UNEP, as a special UN organization in charge of environmental affairs, in coordinating global environmental affairs, and promoting international cooperation in environmental protection.

He strongly wishes that UNEP will further intensify its irreplaceable coordinative and leading role in pushing forward the worldwide cooperation on the implementation of international environmental protection treaties.

The Chinese Government delegation, led by Song Jian, arrived in Kenya on 15 May to attend the two-week 18th session of the UNEP Governing Council. The meeting mainly discussed such questions as funding, reorganization, and future tasks. During his stay in Kenya, he also paid an official goodwill visit to this country. Song Jian left Kenya for home today.

United States & Canada

Further on Li Teng-hui's Upcoming U.S. Visit

Visit 'Private, Low-Profile'

HK0106121695 Hong Kong AFP in English
1128 GMT 1 Jun 95

[FBIS Transcribed Text] Taipei, June 1 (AFP)—Taiwanese President Li Teng-hui will leave for the United States next week on a "private, low profile" visit, eschewing political or official activities "to avoid creating trouble for Washington," officials said Thursday.

Li's five-day visit, starting next Wednesday, will focus only on "academic areas," deputy spokesman of the Presidential Office, Ting Yuan-chao said.

Presidential sources said Li "will not do anything contrary to the purpose of his visit," limited to attending an alumni meeting and making speeches.

"No sensitive political topics will be included," they said.

The speeches will focus on academic exchanges and other non-political topics, the sources said, adding Li may meet some ethnic Chinese representatives. All meetings will be indoors, they said.

Li may meet some U.S. congressmen, but schedules are yet to be worked out, the sources said.

Taipei has decided to keep the visit low-profile as Washington is facing a strong Beijing backlash since giving the green signal, sources said.

Li's plan, approved by Washington last week, incensed China, which retaliated by cancelling high-level military exchanges and postponing Sino-U.S. talks on missile proliferation and nuclear energy cooperation.

Beijing views Taiwan as a renegade province since driving the nationalists to Taiwan in 1949. It has warned other countries against forging ties with Taipei or permitting visits by senior officials from the island.

Washington switched diplomatic recognition from Taipei to Beijing in 1979, and has since then kept Taiwan's top leaders at an arm's length.

The recent shift in Washington came under strong pressure from the House and Senate which overwhelmingly approved resolutions to allow Li's private visit.

Li will board the China Airlines, Taiwan's national flag carrier [as received] on Wednesday for Los Angeles, where he will stay overnight, a press statement said. Officials said he will meet ethnic Chinese representatives while there.

He will fly to Syracuse in New York State on June 8, and travel by limousine to Cornell University, with U.S. security vehicles accompanying. He may make a speech there on June 9, hold a press conference and attend a dinner, officials said. On June 10, Li may meet some congressmen and ethnic Chinese, they said.

Li is expected back in Taiwan on June 12, flying via Anchorage in Alaska, they said.

He will be accompanied by Presidential Secretary-general Wu Poh-hsiung, National Security Council Secretary-General Ding Mou-shih, government spokesman Jason Hu and Vice Foreign Minister Chen Hsi-fan, the press statement said.

Foreign Ministry Spokesman on Visit

HK0106152695 Beijing ZHONGGUO XINWEN SHE
in Chinese 1230 GMT 1 Jun 95

[FBIS Translated Text] Beijing, 1 Jun (ZHONGGUO XINWEN SHE)— Foreign Ministry spokesman Chen Jian stressed this afternoon that he hoped that the U.S. Government will return to the principle of the three Sino-U.S. joint communiques and cancel the Li Teng-hui visit plan. If the United States willfully persists in its course based on its wrong reading of the situation, all consequences should be entirely borne by the United States.

Chen Jian said this in reply to a reporter's question at the news briefing held here in the capital.

A reporter from Singapore asked: Lord, U.S. assistant secretary of state, said that China overreacted to the U.S. permission for Li Teng-hui's visit and that he hoped the related retaliatory measures can end as soon as possible. How would China comment on this?

Chen Jian replied: The Taiwan problem has always been a key one and one of principle affecting Sino-U.S. relations. The United States has obviously gone back on its word, has reneged on its promise on this important issue, and, citing domestic reasons, has failed to honor its international pledges. Such practices lack international creditability and have seriously damaged the foundation [yan zhong sun hai ji chu 0917 6850 2275 1364 1015 4342] for Sino-U.S. relations. It

only stands to reason that we protested strongly and announced a few measures. China will make further responses as the matter unfolds.

An American reporter asked: So far, China's measures in response to Li Teng-hui's visit have been confined to postponing government officials' visits. When will these "postponements" end? What will China do to further the normalization of Sino-U.S. relations?

By way of correcting him, Chen Jian said: Of the measures we have announced, some are "canceling," some are "cutting short," and some are "postponing" visits. What needs to be emphasized here is that the Chinese Government has protested strongly to the U.S. Government and has demanded that the United States cancel Li Teng-hui's visit plan in strict accordance with the principles of the three Sino-U.S. joint communiques. The problem we have now is that the U.S. Government should return to the principles of the three Sino-U.S. joint communiques. If the United States persists willfully in its course based on its wrong reading of the situation, it will seriously damage [yan zhong sun hai 0917 6850 2275 1364] Sino-U.S. relations and should bear the sole responsibility for all the consequences arising therefrom.

Chen thought that lately, the U.S. Government has gone further astray on the problem of Taiwan by continually raising the level of relations with Taiwan; it has allowed Li Teng-hui to visit the country, thus seriously undermining China's sovereignty. China will be watching closely the development of the matter to see what the U.S.' next step is.

U.S. Decision 'Open Affront'

HK0206030895 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1221 GMT 29 May 95

[FBIS Translated Text] Hong Kong, 29 May (ZHONGGUO TONGXUN SHE)—The U.S. Government's permission to let Li Teng-hui pay a "private visit" to the United States has ignited a strong protest and an intense response from China. Beijing first called back its Air Force Commander Yu Zhenwu, who was visiting the United States, and afterward announced the cancellation of State Councillor Li Guixian's U.S. trip and Defense Minister Chi Haotian's planned visit in June, as well as the postponement of talks between Chinese and U.S. experts on missiles and nuclear energy, which were scheduled to take place in June or July. This is the strongest response China has made on the U.S. repeated violation of the principles set forth in the three diplomatic communiques since the establishment of diplomatic relations between the two countries 16 years ago.

Over the past 16 years, the United States has on many occasions violated the principles set forth in the three communiques, which included the sale of 150 jet fighters to Taiwan in 1992, to which China's response was not as intense as this time. This is chiefly attributed to the U.S. Government's open challenge to the Chinese Government's "one China" and "peaceful reunification" policies by lifting its restrictions to the visit of Taiwan's senior officials imposed during the past 16 years.

Observers pointed out: The resolution of the U.S. Senate and the House of Representatives to allow Li Teng-hui to visit the United States and the subsequent approval granted by the Clinton administration reflected that the United States had begun readjusting its China policies in a drastic manner. As early as in April last year, the United States undisguisedly announced in the "Act on Authorization of U.S. Foreign Relations" signed by Clinton that the "Taiwan Relations Act" was more authoritative than the three communiques signed between the United States and mainland China and other U.S. declarations on its policies toward China. This is a deliberate arrangement. At that time, the Chinese Foreign Ministry summoned Roy J. Stapleton for a meeting to lodge a strong protest. However, the U.S. State Department spokesman argued, "The new act will not change the U.S. 'one China' policy and the solid commitments with the three communiques as a cornerstone." Now, U.S. Government's approval of Li Teng-hui's visit is precisely the extension of the abovesaid act and the signal of changed policies, which has proved that the U.S. Government was lying."

As a matter of fact, both the U.S. Government and the public have been deliberating on the revision of their strategy toward China since the beginning of last year. A special team formed by the White House National Security Council, the State Department, the Defense Department, and the Foreign Relations Committees of the Senate and House of Representatives wrote a "report on readjusting strategies in East Asia." The section relating to pertinent policies toward China reads: China has possessed the atom and hydrogen bombs for a long time, its economy has grown rapidly over the last dozen years, its development in the navy has been very fast, and its comprehensive national strength has been substantially augmented. If it continues like this, "it will threaten U.S. security in 10 years." The report says that for the sake of the U.S. national interests, it is necessary to readjust its strategies in East Asia, that is, to maintain the 100,000 U.S. troops stationed in Asia, in order to "balance the strength of China" on one hand, and to maintain good relations between the United States and China's neighboring countries on the other, so as to "contain China's growth from three directions." Using

the Taiwan issue to pin down China is one of the U.S. aims in these strategies. The report also suggests that the U.S. Government continue to "push forward the peaceful evolution in China" through democracy, human rights, and trade issues, restrict China's development in its existing socialist system, and "lead the policies in China to move toward those of the (Western) democratic societies."

People remember that shortly after Clinton assumed office, the United States made a major readjustment in its Asia strategy. At that time, owing to the failure of U.S. sanctions against China which began from the second half of 1989, Communist China did not collapse as did the Soviet Union and East European countries under the storm of liberalization. On the contrary, China's economy developed even faster, and the United States lagged behind in the scramble for the China markets. In view of this, a senior transsectoral think-tank enlisted by the White House wrote a "memorandum of action," which was signed by Clinton in September 1993, and became a readjusted program of diplomatic strategies in the Asia-Pacific region. The core contents of the document are: It is decided that during the post-Cold War period, the outdated "military containment strategy" be replaced by the "economic and trade expansion strategy," that is, the expansion be achieved through the promotion of democracy, human rights, and free economy in China and Asian countries, the policy of "isolating China" be abandoned, dialogues with China at a still higher level be conducted, access to the China markets be made at a faster pace, and the U.S. economic and diplomatic strategic focus be shifted from Europe to the Asia-Pacific region. Guided by this program of action, Clinton proposed convening the summit conference of Asia-Pacific countries, invited China's President Jiang Zemin to attend, and held a high-level meeting between the two leaders. The then readjustment of U.S. policy toward China was in conformity with the world development trend and resulted in the tremendous advances of Sino-U.S. economic cooperation over the past two years.

However, the U.S. Government was unable to persist in the policies made in 1993, and, proceeding from its hegemonic stand and interests, employed the containing policies of the Cold War period to cope with China once again. From the U.S. "report on readjusting strategies in East Asia," which was published at the beginning of this year, people can easily detect that since last year, the United States has tried to check the economic development in China and to control China's markets by way of repeatedly setting higher demands on China's reentry into GATT, obstructing China's becoming a founding member of the World Trade Organization,

and forcing China to open its markets in the areas of agricultural products, finance, and telecommunications. The U.S. current decision to allow Li Teng-hui to visit the United States is an open affront to split China and to challenge China's policy of "peaceful reunification." China has no option but to deal with this in a serious manner.

MFN Decision Linked to Crackdown on Dissidents

HK2905064895 Hong Kong EASTERN EXPRESS
in English 29 May 95 p 14

[Editorial: "Rights Move Is Toothless Tiger"]

[FBIS Transcribed Text] This time last year, Beijing released a handful of dissidents, including Chen Ziming and Wang Juntao, as the deadline for a decision on China's most favoured nation (MFN) trading status drew close. Subsequently, Beijing got what it wanted — a renewal of its MFN status, as well as an announcement made by United States President Bill Clinton to delink the question on China's human rights from MFN.

This year, not only has Beijing not released any political prisoners, but it has been far more ruthless in its suppression of dissidents. Wei Jingsheng, the best-known of them, was re-arrested a few months ago and his whereabouts is still unknown. Wang Dan, the student leader, has been detained again for no obvious reason and is believed to be on a hunger strike. Despite people's brave defiance, more arrests of dissidents have been made in recent weeks in the run-up to the anniversary of the June 4 massacre.

The explanation to this stark contrast in Beijing's behaviour is clear and simple. Beijing knows that human rights are no longer a factor for the Clinton administration to consider when it decides upon the renewal of China's MFN.

This is why China can launch another campaign against dissidents, who have lost their value as bargaining chips for economic gains from the US. China's human rights record has worsened since May last year, because Clinton has given up his last political card to secure an improvement.

On renewing China's MFN, Clinton announced on May 31 last year that his government would encourage the US business community to work for China's progressive change.

"We will ask American business leaders to join us in developing a voluntary set of principles regarding the activity of American firms doing business with or in China," he said, "so that their presence will do more to improve working conditions, expand the access of

Chinese people to information and otherwise enhance human rights conditions.

Ludicrously, the Model Business principles unveiled by the Clinton administration at the weekend do not even mention China. It is a renegation of the President's pledge. Even if it includes some guidelines related to China's human rights, it is a toothless tiger because the US Government will not promote the scheme and will not be involved in its implementation.

The reason for Clinton's weakness on the issue is not clear. It may be due to the need to appease Beijing, fearing further retaliation against the US, particularly after it granted an entry-visa to Taiwan President Lee Teng-hui for a private visit. If this is the case, such a consideration would be irrelevant, because Beijing is determined to retaliate against the US for its crime of pursuing a policy of "two Chinas", no matter whether Clinton says a word on China's human rights or not. On the contrary, it only exposes the scruples and fears of an uneasy US administration, tempting Beijing to harden its confrontational stance with the US.

'Roundup' on Intended U.S. Military Action in Bosnia

OW0206093995 Beijing XINHUA Domestic Service
in Chinese 0946 GMT 1 Jun 95

["Roundup" by reporter Zhou Xisheng (0719 6932 3932): "The United States Intends To Use Force To Intervene in the Bosnia-Herzegovina Crisis"]

[FBIS Translated Text] Washington, 31 May (XINHUA) — After the White House and Pentagon spokesmen signaled in the last few days that the United States will send troops to Bosnia-Herzegovina, U.S. President Clinton today formally announced that he has decided, when necessary, to "temporarily" send U.S. ground troops to that area at the request of NATO allies. This decision shows that the Clinton administration's policy on handling the Bosnia-Herzegovina crisis has "significantly changed." The United States now intends to use force to directly intervene in Bosnia-Herzegovina.

Since the conflict broke out in Bosnia-Herzegovina, although the United States has intervened in it in various ways, it adopted a cautious attitude on directly sending troops, especially ground troops, to the area, because the U.S. Government had been worried that sending troops directly might be disapproved or even criticized by domestic public opinion.

But, following the rapid worsening of the crisis, especially after the Serbs detained more than 300 UN peacekeeping personnel because the United States has strongly urged NATO to launch air raids against the

Serbs in Bosnia-Herzegovina, the Clinton administration began to review its "send no troops" policy. Observers here are of the opinion that Clinton's decision to "temporarily" send troops to Bosnia-Herzegovina is mainly aimed at pacifying Britain, France, and other NATO allies who have sent peacekeeping troops to that area. France and other countries have said several times that, if their peacekeeping troops in that area are not reinforced and their personal safety is not assured, they will have no choice but to pull out their troops. This attitude does not contradict senior UN officials' latest views on the Bosnia-Herzegovina issue. This development has caused anxiety in Washington. Therefore, Clinton, judging the hour and sizing up the situation, decided to appropriately adjust his Bosnia-Herzegovina policy. Besides, this move will prevent Western countries from suffering more humiliations in the Bosnia-Herzegovina crisis.

In announcing his decision, Clinton stressed that the United States, as the "leader" of NATO, "assumes obligations" for West European allies and "should not leave them in a dangerous and difficult situation." White House spokesman McCurry expressed the belief that the United States' agreeing to send ground troops to Bosnia-Herzegovina, in addition to showing the United States' effective support for its allies, will have "a kind of stimulation" on them. It will "prompt and encourage" them to continue and reinforce their peacekeeping troops in Bosnia-Herzegovina.

According to U.S. officials, U.S. military intervention in Bosnia-Herzegovina will primarily be carried out in the following ways: sending not more than 25,000 ground troops to Bosnia-Herzegovina to help peacekeeping troops build a "secure land corridor" to enable local residents and peacekeeping troops to move safely; carrying out "shock attacks" against Serbian targets in Bosnia-Herzegovina, using the U.S. fleet currently cruising in the waters off Bosnia-Herzegovina as a base, with the 2,000 rapid response amphibious troops stationed on the fleet as a main force, and joining forces with troops newly sent by Britain and other countries, in order to rescue hostages and protect peacekeeping troops; supporting NATO in continuing to carry out air attacks against the Serbs in Bosnia-Herzegovina to destroy their major arsenals; if the situation further deteriorates and UN peacekeeping troops are forced to withdraw, U.S. troops will provide cover and protection.

Despite all these, the Clinton administration has been quite cautious in truly using force to intervene in the Bosnia-Herzegovina crisis. The administration has repeatedly stressed the two basic principles of its decision to militarily intervene in Bosnia-Herzegovina: U.S. action must be at the request of NATO or the United Na-

tions and must be carried out as a part of NATO allies' action; the scale, duration, and objectives of U.S. military intervention are "strictly limited." While announcing its plan to send troops to Bosnia-Herzegovina, the United States sent its special envoy Robert Frasure to Belgrade to hold a new round of talks with Serbian President Milosevic, in an effort to persuade him to pressure Bosnia-Herzegovina Serbs to accept a cease-fire. People have predicted that, while talks between Frasure and Milosevic go on, the United States will do its best to restrain its military action.

Central Eurasia

Yeltsin Appoints Ignatenko Deputy Premier

OW0106161095 Beijing XINHUA in English
1529 GMT 1 Jun 95

[FBIS Transcribed Text] Moscow, June 1 (XINHUA) — Russian President Boris Yeltsin today appointed Vitaliy Ignatenko, head of ITAR-TASS news agency, as a deputy prime minister.

Ignatenko, 54, will be in charge of the affairs of press, radio and TV in the government, according to ITAR-TASS.

He will retain his post as the general director of ITAR-TASS while assuming his deputy premiership.

Ignatenko is the seventh deputy prime minister. Prime Minister Viktor Chernomyrdin additionally has two first deputy prime ministers.

Jiang Zemin Receives CIS Ambassadors

OW3105081295 Beijing XINHUA in English
0752 GMT 31 May 95

[FBIS Transcribed Text] Beijing, May 31 (XINHUA) — Chinese President Jiang Zemin today accepted credentials respectively presented by first ambassadors of Belarus and Turkmenistan to China.

Belarus Ambassador Vyacheslav Nikolayevich Kuznetsov and Turkmenistan Ambassador Amangeldy Rakhmanov [spelling of name as received] arrived here separately on April 29 and May 4.

New Envoy to Ukraine Presents Credentials

OW0106045195 Beijing XINHUA in English
0305 GMT 1 Jun 95

[FBIS Transcribed Text] Kiev, May 31 (XINHUA) — Ukrainian President Leonid Kuchma today spoke highly of China's economic reform and called for long-term cooperation with China, especially in metallurgical and chemical industries.

There exists huge potential for cooperation between the two countries, Kuchma said after new Chinese Ambassador Pan Zhanlin presented his credentials.

Ukraine and China have seen a smooth development of their relations since they set up formal diplomatic relations in 1992, Kuchma added. He has visited China three times.

The Chinese ambassador said that China attaches importance to its relations with Ukraine, ready to further bilateral cooperation on the basis of the joint statement signed on September 6 last year.

Northeast Asia

Vice President Rong Meets Japanese Delegation

OW0206113695 Beijing XINHUA in English
1125 GMT 2 Jun 95

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — Chinese Vice-President Rong Yiren met here today with a delegation from the Japan Association for the Promotion of International Trade.

The delegation, led by the association's vice-chairman Nobuya Hakura, is in China to inspect the investment conditions in some inland provinces of the country.

Rong said that China's coastal areas have achieved rapid economic development over the past decade and there is a gap between the coastal and the inland areas.

However, Rong pointed out, the inland areas have advantages in resources, labor force and other aspects, and that the inland areas have developed infrastructure to a certain level.

As China is gradually shifting its economic focus to the inland areas and the inland provinces are developing themselves, Rong said, the investment conditions there will continue to improve.

The vice-president hoped that Japanese enterprises gain more knowledge about the economic development in those areas through the inspection tour so as to further expand the economic cooperation and trade ties with China.

The Japan Association for the Promotion of International Trade has taken part in non-governmental exchanges between Japan and China since the 1950s, and particularly it has played a positive part in promoting the economic cooperation and trade ties between the two countries over the past years.

Members of the current delegation come from Japan's manufacturing and banking industries and trade companies. The visit is aimed at updating their knowledge

about China's policy of reform and opening to the outside world, particularly the policy on the development of the inland areas as well as the investment conditions in those areas.

Hakura told Rong that sending a delegation to China's inland areas is a new approach of his association, which hopes to further conduct economic cooperation with China.

According to Hakura, his association has planned to send another delegation on an inspection tour to north-east China's Heilongjiang Province very soon.

Submarine Fiber-Optic Cable Links Shandong, ROK

OW0106140295 *Beijing XINHUA in English*
1343 GMT 1 Jun 95

[FBIS Transcribed Text] Qingdao, June 1 (XINHUA) — A submarine fiber-optic cable linking this coastal city in east China's Shandong Province and the Republic of Korea (ROK), opened today.

The cable is the second of its kind, following one linking China and Japan, which was completed in December 1993.

The cable, with a total length of 550 km, was jointly built by China's Ministry of Posts and Telecommunications and its ROK counterpart. It has a capacity of two 7,560-line digital electric circuits and will be put into use by the end of this year. The total investment was 47 million US dollars.

The system will greatly enhance the telecommunications contacts between China and ROK. It will also be a major channel for China to join the Pacific telecommunications network, and the global network as well.

Southeast Asia & Pacific

Beijing, Jakarta Sign Machinery Products Accord

OW0106144295 *Beijing XINHUA in English*
1413 GMT 1 Jun 95

[FBIS Transcribed Text] Jakarta, June 1 (XINHUA) — China and Indonesia signed here today a cooperation agreement on machinery and electronics products.

The two parties have agreed to enhance cooperation in the information exchange, promotion of trade and investment.

In the six-article agreement, both sides agree to maintain frequent contact and active exchange of information on their country's foreign trade policy, economic data and business opportunities.

The agreement will be valid for five years.

Beijing To Repair National Theater in Burma

OW0206081495 *Beijing XINHUA in English*
0616 GMT 2 Jun 95

[FBIS Transcribed Text] Yangon [Rangoon], June 2 (XINHUA) — The Chinese government agreed today to dispatch Chinese technical personnel and to provide necessary equipment and materials for the maintenance and repair of the Myanmar National Theater on a grant basis.

Myanmar [Burmese] Minister for National Planning and Economic Development Brigadier General Abel and Chinese Ambassador to Myanmar Chen Baoli signed here today instruments of the Agreement on the Maintenance and Repair of the Myanmar National Theater.

The Myanmar National Theater was a gift of the Chinese government presented by late Chinese president Li Xiannian when he paid an official visit to the country in March 1985.

The 1,500-seat modern theater project started in March 1988 and was completed in December 1990.

Papua-New Guinea 'Warned' on Taipei Links

LD0206101295 *Melbourne Radio Australia in English* 0900 GMT 2 Jun 95

[FBIS Transcribed Text] China has warned that Papua-New Guinea [PNG] will face serious consequences if it continues to foster official relations with Taiwan. The warning follows the signing by the PNG Government last week of a communique of mutual recognition with the Government of Taiwan. PNG officials say that while the country has reaffirmed a so-called one China policy it will continue to promote economic, trade, and other contacts with Taiwan.

The [PNG] Prime Minister Sir Julius Chan has admitted that his government is seeking financial assistance from Taiwan to help overcome a current financial crisis.

A Foreign Ministry official in Beijing said China was opposed to any exchanges of an official nature between Taiwan and any country which has diplomatic ties with China. He said any official contacts between PNG and Taiwan would have a serious impact on Port Moresby's relations with Beijing.

MOU Signed With Singapore Foreign Ministry

OW3105162995 *Beijing XINHUA in English*
1545 GMT 31 May 95

[FBIS Transcribed Text] Singapore, May 31 (XINHUA) — The Chinese Foreign Ministry and the Foreign Min-

istry of Singapore signed a memorandum of understanding (MOU) here today for establishing a mechanism for annual consultations between officials of the two ministries.

The MOU was signed by Chinese Ambassador to Singapore Yang Wenchang, on behalf of the Chinese Foreign Ministry and Permanent Secretary Kishore Mahbubani, representing the Singapore Foreign Ministry.

The Singapore Foreign Ministry said after the signing ceremony that this was the third such MOU it has signed with other countries. The others were India and Germany.

Near East & South Asia

Zhu Rongji Meets Bahraini Finance Minister

*OW3105125395 Beijing XINHUA in English
1235 GMT 31 May 95*

[FBIS Transcribed Text] Beijing, May 31 (XINHUA) — Chinese Vice-Premier Zhu Rongji met with Ibrahim 'Abd-al-Karim Muhammad, minister of finance and national economy of Bahrain, and his party here this afternoon.

Extending a welcome to the guests, Zhu voiced the belief that the visit will bring benefits to the two countries as they share experiences in financial, monetary and other sectors.

During the meeting, Zhu noted Bahrain's rich experience in developing international financial businesses, saying that China is ready to co-operate with the Gulf country in the financial field.

The Bahraini government and people place great hopes on China, a country of international importance, Karim said.

Bahrain is very pleased with the enormous achievements China has made in the economic field, he added.

The Bahraini minister also spoke highly of China's favorable stance toward the Arab countries and the states in the Gulf region.

'Abd-al-Karim and his party are here as guests of Chinese Minister of Finance Liu Zhongli.

Sino-Indian Labor Cooperation Agreement Signed

*OW0206043895 Beijing XINHUA Domestic Service
in Chinese 1534 GMT 29 May 95*

[FBIS Translated Text] New Delhi, 29 May (XINHUA) — Chinese Labor Minister Li Boyong, who is currently paying a work visit to India, today extensively exchanged views with P.A. Sangma, Indian minister of state with independent charge for labor, on strengthening the friendly cooperation between the two countries' labor ministries and on other issues, and initialed an agreement on friendly cooperation and exchange between the two ministries.

Li Boyong arrived in New Delhi on the evening of 28 May. His current visit to India reciprocates his Indian counterpart's visit to China last year. During his stay in India, he will study India's employment work, vocational training, and social security system.

Political & Social

State Leaders at Young Pioneers Congress Opening

OW0106141595 Beijing XINHUA in English
1405 GMT 1 Jun 95

[FBIS Transcribed Text] Beijing, June 1 (XINHUA) — The Third National Congress of the Chinese Young Pioneers opened here today, International Children's Day.

Some 550 representatives of Young Pioneers and counselors from 56 ethnic groups nationwide are attending the four-day conference.

Hu Jintao, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said at the opening ceremony that the Young Pioneers organization should make the training of qualified constructors and successors for the socialist course in the coming century as its main task and make greater contributions to China's modernization construction.

Other state leaders, including Ding Guangen, Li Lanqing and Wei Jianxing, also attended the opening ceremony.

Under the leadership of the Chinese Communist Youth League Central Committee (CYLC), the Young Pioneers is the largest organization for Chinese children and juveniles. Established in 1949, it now has 130 million members.

The Young Pioneers organizations should help their members develop in an all-round way so as to meet the needs of China's socialist construction, First Secretary of the CYLC Central Committee Li Keqiang told today's opening ceremony.

Jiang Zemin Present

OW0106172395 Beijing XINHUA in English
1553 GMT 1 Jun 95

[FBIS Transcribed Text] Beijing, June 1 (XINHUA) — When Chinese President Jiang Zemin warmly greeted a little girl from the countryside by name at the Great Hall of the People here this afternoon, tears welled up in her eyes.

"Thank you, Grandpa Jiang. Thank you for your concern. I have returned to school now," said Zhang Suzhen, one of the 500 children who gathered at the Great Hall for the Third National Conference of the Young Pioneers, which opened here today.

"I learned about that from a newspaper, and I hope you study hard," said the president, holding the little girl's hand.

Jiang, together with other senior Party and government leaders Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren, was meeting with representatives of children from across the country. They expressed the wish that all Chinese children would have a good time on Children's Day.

"We hope that all Chinese children will enjoy their own holiday and congratulate them on the opening of the national conference of the Young Pioneers," said Jiang.

He told people around him about his meeting with the little country girl.

Early this year President Jiang visited little Zhang's family during his inspection tour of north China's Hebei Province. When he heard that the girl had dropped out of school because of economic difficulties, Jiang asked officials of that county to help the girl return to school.

Not long after that, the girl resumed her studies, and a new school was also built in that poor area with money donated by the wealthy southern city of Shenzhen.

"Children from poor areas too can be very successful as long as they study hard," Jiang said when told that the girl had achieved high scores. He told little Zhang to value her school time.

The other leaders also talked with the children and had pictures taken with all the Young Pioneer representatives.

CPPCC Standing Committee Opens 13th Meeting

OW0206095395 Beijing XINHUA in English
0943 GMT 2 Jun 95

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — The 13th meeting of the Standing Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) opened here today.

The four-day meeting, presided over by Li Ruihuan, chairman of the CPPCC National Committee, will place emphasis on implementing the guidelines from the Central Committee of the Communist Party of China (CPC) for CPPCC work and studying ways to better perform CPPCC's duties.

Addressing the opening session, CPPCC Vice-chairman Ye Xuanping said that CPPCC committees at all levels have performed their functions in a realistic manner and have had remarkable achievements over a long period of time.

However, he added, their performance has lagged far behind the actual situation and expectations of the masses of people.

The vice-chairman called on all members to freely air their opinions to help CPPCC play a better and greater role.

He urged Standing Committee members not to dodge difficulties and problems and to find appropriate solutions.

The meeting will also examine and approve revised general rules of CPPCC Special Committees.

Hu Jintao Calls For Better Child Care

OW0106135795 Beijing XINHUA in English
1320 GMT 1 Jun 95

[FBIS Transcribed Text] Beijing, June 1 (XINHUA) — A senior official called on all members of the Communist Party of China (CPC) as well as the rest of society here today, International Children's Day, to care for the nurture of children and juveniles.

Hu Jintao, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, said at the Third National Young Pioneers Conference, which opened here today, that a favorable atmosphere should be created for children's and juveniles' development.

He asked the whole party and society to realize the importance of the work of training and educating children and juveniles well, as this is vital to the future of the Party and the country.

"Success in this work will decide whether we can uphold the Party's basic line without wavering for 100 years, and it is decisive for the success or failure of the socialist cause," he said.

The Young Pioneers is the largest mass organization for Chinese children and juveniles. It is also regarded as a body preparing contingents for China's socialist construction.

Hu said that children and juveniles are the Chinese nation's hope and future, and shoulder the responsibility of realizing the aim of China's modernization drive in the next century.

Led by the Chinese Communist League, the Young Pioneers organization has played an important role in promoting the healthy growth of children since it was established 46 years ago, said Hu.

Now there are more than 130 million Young Pioneers in China.

Hu urged Chinese children and Young Pioneers develop in an all-round way — morally, intellectually and physically — so as to meet the needs of China's reform and modernization construction.

The CPC has always cared for children's healthy development and has posed the training and education of children as one of the Party's main tasks, said Hu.

He urged the Young Pioneers to train a group of qualified constructors and leaders for the socialist cause in the 21st century and make greater contributions to China's modernization construction.

The four-day conference, attended by 550 deputies from 56 ethnic groups nationwide, will set forth the tasks for the Young Pioneers in the coming five years.

'Source' Views Zhao Ziyang's 'House Arrest'

HK0206032595 Hong Kong SOUTH CHINA
MORNING POST in English 2 Jun 95 p 7

[By Jasper Becker in Beijing]

[FBIS Transcribed Text] Six years after Zhao Ziyang was arrested during the Tiananmen democracy protests, the Communist Party's former general secretary remains under house arrest in his courtyard home in central Beijing. He turned 75 last October and is in good health. "His hair has turned white and he looks more distinguished than ever," a source said.

Lately, his movements have been restricted. He is not allowed to leave his house more than once a week, when he plays golf at the Shunyi course outside Beijing. Since 1989, he has only been allowed to travel to the provinces four times. His name is rarely mentioned in the press, his picture never appears in public and no one signs petitions for his rehabilitation. "He is China's man in the iron mask," a Western diplomat said. "He is treated as if he were a dissident."

But yesterday there were no guards outside the small courtyard near the Bank of China where he lives with his wife and daughter, who runs an auction company. His son, a businessman, is believed to be based in the US.

On his trips outside the capital Mr Zhao was allowed to visit sites in Sichuan, Jiangxi and Anhui provinces associated with his early success in reforming agriculture. Last year, he was refused permission to travel to the coastal provinces and sources claim that for the moment, at least, he is not allowed to go anywhere.

"With things so tense around the June 4 anniversary, Jiang Zemin does not want him travelling," a source said. Mr Jiang, who replaced Mr Zhao, also reportedly denied his successor permission to attend the funeral of senior leader Chen Yun, who died in April.

Mr Zhao disappeared after May 19, 1989, when he visited students on a hunger strike in Tiananmen Square

and was shown on nationwide television with tears in his eyes. He called on the students to abandon their hunger strike and was subsequently accused of trying to split the Communist Party. Observers believe Mr Zhao will not be allowed to return to public life because he refuses to make a self-criticism. He could only make a comeback if the party reassesses the crackdown on the pro-democracy movement.

Wang Dan, Writer Under 'Residential Surveillance'

HK0206032695 Hong Kong SOUTH CHINA
MORNING POST in English 2 Jun 95 p 8

[By Agnes Cheung]

[FBIS Transcribed Text] Police have told activist Bao Zunxin that they were holding student leader Wang Dan and writer Liu Xiaobo under "residential surveillance". Both Wang and Liu were not held under "shelter and investigation", according to Mr Bao who went to the Public Security Bureau last Tuesday to inquire about the situation of the two dissidents.

Under Chinese law, residential surveillance should only apply to suspects who were under police watch at their home. However, the police did not explain why they were keeping Wang and Liu at holding centres instead of their homes. Analysts said that by holding Wang and Liu in "residential surveillance" police could lock them up indefinitely because there was no time limit on how long they could keep a suspect.

According to Mr Bao, Beijing police told him that Wang was "doing all right" at a police holding centre but would not reveal its whereabouts. "Wang did not stage a hunger strike. The police read out his daily menu when we asked about his condition," Mr Bao said yesterday. Wang and Liu were among more than 20 activists held by the authorities in the latest crackdown, on dissidents as the sixth anniversary of the June 4 massacre approaches.

Mr Bao, a former history researcher jailed for his role in the 1989 democracy movement, was one of 45 scientists and intellectuals who signed a petition calling for greater tolerance towards dissent. The petition demanded that the Government reverse its "counter-revolutionary" verdict on the 1989 democracy movement.

Mr Bao said police were keeping a close watch on his house and he had been questioned several times. "They do not want us to do anything during this sensitive period...fearing that we are conspiring together," the activist said.

Meanwhile, Professor Xu Liangying, who drafted one of the petitions, denied yesterday that Wang Ganchang, who was the designer of China's first atomic bomb, had

been interrogated by police after signing the petition. "There is nothing wrong with our petition. They did not even dare to interrogate me. Why would they make trouble for Wang (Ganchang)?" Professor Xu said. But he added that his home was still under surveillance.

In Guangzhou, veteran dissident Wang Xizhe has been allowed to return home after being detained for 15 days for "leaving Guangzhou without permission". Mr Wang, a democracy wall activist, was arrested in Beijing when he tried to protest to the Supreme People's Court against his term of surveillance being extended to 1999.

Security Stops Dissident Chen Ziming From Outing

HK0206040795 Hong Kong MING PAO in Chinese
2 Jun 95 p C1

[Article by staff reporter: "Public Security Authorities Do Not Allow Dissident Chen Ziming and His Family To Go for a Walk in a Park Under the Pretext That '4 June' Is a Sensitive Period"]

[FBIS Translated Text] With the excuse of the "4 June" sensitive period, Chinese public security stopped noted pro-democracy figure Chen Ziming and his family from an outing to the park.

According to Chen's family, the Chen couple planned to accompany Ziming's mother and nephew on an outing to a park on 31 May. The main purpose of the outing was to mark the 1 June Children's Day with his nephew. When Chen and his wife Wang Zhigang stepped out of their home, they were stopped by public security personnel. The security personnel said that "4 June" was a sensitive period and told him to stay at home. When Chen explained where they were going and the purpose of his outing, the public security personnel still did not allow him to leave. As a result, the Chen family had to cancel their outing.

Besides Chen Ziming whose freedom was restricted, Chen Ziming's wife Wang Zhigang said that she was also followed by public security. Sometimes, her friends were also followed after talking with her. Wang Zhigang also disclosed that the public security gave the Chen couple a dressing down after they spend a very short time buying vegetables from a nearby market a few days ago, saying that their route was not correct and was not within the surveillance of the public security.

Wang Zhigang said that the public security also kept watch on Chen Ziming's parents. She hoped that such action would only last during "4 June" and would disappear as soon as possible after that. She said that the measures adopted during "4 June" this year are stricter than in previous years.

Chen Ziming was given a heavy sentence of 13 years imprisonment for "masterminding" the "4 June" incident in 1989. He was released on bail last year for medical treatment.

Mayor on New Beijing Government Leadership

*HK0206061595 Hong Kong WEN WEI PO in Chinese
11 May 95 p A3*

[Dispatch from Beijing by staff reporter Li Hsiao-ping (2621 4562 0393): "Beijing Mayor Li Qiyang Talks About Division of Work of Beijing Municipal Government, and Zhang Baifa Takes Over Planning and Financial Work"]

[FBIS Translated Text] Beijing, 10 May (WEN WEI PO)—Beijing Mayor Li Qiyang said today that Beijing Municipality is now in a stable condition, its reforms and construction are still moving ahead, and its overall economic situation is good. He stressed that the recent reshuffle and the in-depth launching of the anti-corruption struggle will not affect Beijing's opening up to the outside world but will rather facilitate the establishment of a more complete legal and economic order, create a better investment environment, and promote healthy economic cooperation between Beijing and the international community.

This morning, Li Qiyang met with a delegation from the U.S.-Hong Kong and Hong Kong-U.S. Committees for Economic Cooperation led by Paul Volcker and Tung Chien-hua. In the 40-minute meeting, Li Qiyang briefed the guests on the situation of Beijing Municipality in every aspect. He said: Not long ago, the CPC Central Committee decided to appoint Wei Jianxing as member, standing committee member, and secretary of the Beijing municipal party committee and approved Chen Xitong's resignation. This decision is advantageous to keeping Beijing stable, to the smooth progress of all types of work in Beijing, to the deepening of the anti-corruption struggle, and to promoting wider and more effective opening up of Beijing to the outside world. Wei Jianxing is resolute in carrying out the party's line, principles, and policies, firm in political orientation, democratic in work style, and solid and steady, and he bears the overall situation in mind and has rich experience in city administration. He is the right choice for acting as secretary of the Beijing municipal party committee. The decision fully shows that the Central Party Committee with Jiang Zemin at the core attaches much importance and extends strong support and great care to the work in Beijing, and it plays an important guiding role in every aspect of the work in Beijing, including opening Beijing up to the outside world.

Some overseas figures worry that the reform, opening up, and construction of Beijing Municipality may be affected and its opening-up policy may be liable to changes. In this connection, Li Qiyang pointed out: According to the spirit of the recent speeches made by central leaders and Municipal Party Secretary Wei Jianxing, Beijing will make efforts, under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic party line and under the leadership of the Central Party Committee with Jiang Zemin at the core, to further promote the cause of reform, opening up, and modernization and to implement the party's line, principles, and policies with greater awareness. The cause of reform, opening up, and modernization in Beijing will not be affected but will rather develop in a better, faster, and healthier way. Li Qiyang said that according to Municipal Party Secretary Wei Jianxing's demand, the overall division of the municipal government work remains unchanged and Li himself remains in charge of the overall work. But since Wang Baosen committed suicide, the work of planning, finance, and taxation of which he was formerly in charge has been taken over by Executive Vice Mayor Zhang Baifa, while other work is shared among vice mayors. He said he is confident of improving the Beijing Municipal Government's work.

Circular on Rules for Cadres Declaring Income

*OW0106014795 Beijing XINHUA Domestic Service
in Chinese 2133 GMT 23 May 95*

[FBIS Translated Text] Beijing, 23 May (XINHUA) — The General Office of the CPC Central Committee [CPPCC] and the State Council General Office on 30 April issued a circular "concerning the regulations governing income declarations by leading cadres of party and government organs at the county (department) level and above."

The circular says all localities should follow the regulations which have been approved by the CPPCC and the State Council.

The full text of the regulations follows:

Article 1. The regulations are formulated to maintain the integrity of leading cadres of party and government organs while performing their duties, set up close ties between the party and government and the masses of people, and to strengthen the construction of the party's work style and an honest government.

Article 2. Leading cadres of party organs, people's congresses, administrative organs, organs of the Chinese People's Political Consultative Conference, judicial organs, and procuratorate organs at county (department)

level and above should declare their incomes in accordance with these regulations.

These regulations can be applied to leading cadres of social groups and public institutions at county (department) level and above as well as to responsible persons of large- and medium-sized state-owned enterprises.

Article 3. Declarers should declare all incomes listed below:

1. wages;
2. all kinds of bonuses, subsidies, allowances, and welfare subsidies.
3. incomes from engaging in consulting, lecturing, writing, going over manuscripts, and other labor services.
4. incomes from contracted management and contracted leases by leading cadres of public institutions and responsible persons of enterprises.

Article 4. From 1-20 July each year, declarers should declare their incomes earned in the first half of the current year. Their incomes earned in the second half of the previous year should be declared from 1-20 January of the following year. Those who are unable to declare their incomes in time under special circumstances are allowed to appropriately postpone their declaration after the approval of the department that accepts the declaration.

Article 5. Each unit's organization and personnel department is responsible for accepting income declarations filed by declarers of the unit. In accordance with the power limit concerning the management of cadres, such declaration materials should be submitted for the record to corresponding organization and personnel department of the immediate higher level.

Article 6. If a declarer who refuses to declare or falsely declares his income, his party organ, administrative department, or discipline inspection and supervision organ should order him to declare or correct his income report. Appropriate criticism and education or party and government disciplinary action should be taken toward the offender.

Article 7. Discipline inspection and supervision organs at all levels should be responsible for conducting supervision and inspection of the implementation of these regulations.

Article 8. The Central Commission for Discipline Inspection and the Ministry of Supervision are responsible for the interpretation of these regulations.

Article 9. The regulations become effective beginning the day of their promulgation.

Ministry Reports 128 Killed in Disasters

HK0206035995 Beijing CHINA DAILY in English
1 Jun 95 p 2

[Article by Liang Chao: "Natural Disasters Claim 128 This Year"]

[FBIS Transcribed Text] Natural disasters killed at least 128 people and injured 116,000 others in the first five months of this year in China.

They also caused more than 6 billion yuan (\$714 million) in damage between January and May, according to the Ministry of Civil Affairs.

Except for the persistent drought, the disasters of the period have been average. The deaths and a considerable share of the damage were caused by tornadoes, hailstorms and earthquakes, ministry officials said.

In the first five months of this year, severe drought persisted in most parts of North China while heavy snowstorms struck northern Tibet and south Qinghai Province, the latest reports released yesterday by the ministry showed.

The drought eased up in mid-May with two rains that brought an average of 10 to 25 millimetres of precipitation in many parts of North China. But the recent long spell of dry weather is worsening the situation.

More than 12.4 million hectares of farmland are still under the threat of the drought which has made drinking water scarce for 13 million people and nearly 8 million head of livestock.

During the period, 19 earth quakes with magnitudes of over 4.5 on the Richter scale were reported in southwestern and western provinces and regions, mainly Yunnan and Tibet, and sea areas along the southeast coastal areas, the report disclosed.

During the January-March period, destructive tornadoes and hailstorms swept over 240 counties in southern and eastern provinces and regions including Guangdong, Guangxi, Fujian, Zhejiang, Hunan and Hubei, plus the southwest Guizhou and Sichuan provinces and the northwest Shaanxi. They killed 128 people and damaged more than 1.9 million houses.

Some 7.3 million people suffered heavy property losses, and 77,333 hectares of crops were destroyed during the tornadoes and hailstorms, which also damaged a large number of infrastructures and factories, leaving an estimated 6.65 billion yuan (\$672 million) in direct economic losses.

Central Authorities To Inspect Car Use by Cadres
OW0206084395 Beijing XINHUA Domestic Service
in Chinese 0930 GMT 24 May 95

[By reporter Hu Qinghai (5170 3237 3189)]

[FBIS Translated Text] Beijing, 24 May (XINHUA) — Joint inspection groups of relevant central departments will set off for various localities around the country to conduct a special inspection on the use of sedans by leading cadres of party and government organs.

It has been learned that the purpose of this special inspection is to further implement the "Rules Governing the Allocation and Use of Automobiles by Party and Government Organs" issued by the General Offices of the CPC Central Committee and State Council and relevant stipulations of the Central Commission for Discipline Inspection. The 15 joint inspection groups of the Central Commission for Discipline Inspection, General Office of the CPC Central Committee, General Office of the State Council, and Ministry of Supervision will go to central and state organs, ministries, and commissions, as well as some provinces, autonomous regions, and municipalities in early June.

It has been learned that this inspection will focus on leading cadres at and above vice-ministerial level in central and state organs and leading cadres at and above vice-governor level in provinces, autonomous regions, and municipalities. In the meantime, spot checks will be conducted on the use of sedans by leading cadres in departments directly under provincial, autonomous regional, and municipal authorities and in important prefectures and cities.

This inspection will see: 1. whether over-expensive sedans used by leading cadres in violation of stipulations have been replaced; 2. whether the replaced sedans have been disposed of, whether they are disposed of in an appropriate manner, and whether there are still any sealed off sedans in stock; 3. whether anybody has taken this opportunity to purchase new cars in violation of stipulations; 4. whether anybody is using military and police vehicle plates in violation of stipulation; 5. whether anybody is using vehicles purchased by public funds and units to learn driving skills in violation of stipulations; 6. whether provinces, autonomous regions, and municipalities have formulated specific stipulations governing the allocation and change of vehicles for leading cadres, in accordance with the rules of the Administration Bureau of the Organs under the CPC Central Committee and the State Council Government Offices Administration Bureau.

At a meeting attended by all members of the inspection groups today, Hou Zongbin, deputy secretary of the

Central Commission for Discipline Inspection, noted: Leading cadres' use of luxury sedans in violation of stipulations is one of people's common concerns. Over the past year or so, achievements have been made in the nationwide screening of vehicles, but some localities have their countermeasures to the state's policies and have not conscientiously enforced the central authorities' stipulations, whereas some localities have established loose standards and are not strict themselves. A handful of leading cadres in some localities have run against the wind and continued to purchase or use over-expensive sedans, and some leading cadres have not removed the military and police plates which they used in violation of stipulations. Hou demanded that practical results be emphasized in this inspection and that localities and departments concerned be instructed to correct themselves whenever a problem is found. If any serious cases are found, discipline inspection and supervisory organs must deal with them strictly.

Hou Zongbin also asked all provinces, autonomous regions, and municipalities to conduct inspections on sedans used by leading cadres at prefectural and county levels and report the results of their inspections to the Central Commission for Discipline Inspection and Ministry of Supervision by the end of July.

Commentary Hails Children's Day

HK0206040095 Beijing CHINA DAILY in English
1 Jun 95 p 4

[China Daily commentary: "Celebrating Children"]

[FBIS Transcribed Text] Today is International Children's Day. Children worldwide are celebrating their festival in their own ways.

What makes this year's Children's Day special is that it marks the halfway point towards the goal set by the United Nation's 1990 Declaration of Survival, Protection and Development of Children.

Five year ago, a world summit on children's issues was held in New York. Participants agreed upon a declaration which requires infant mortality rates to be reduced by one-third by 2000 from the 1990 level. Better care and welfare should be given to handicapped children. Compulsory nine-year education should cover school-age children.

The Chinese Government and the whole society have been doing extensive and intensive work to ensure the healthy development of children — the future of the country.

In 1991, a bill was passed by the Chinese National People's Congress, China's top legislative body, to

protect minors. With enforcement of the bill, children's rights of living, education and entertainment are put under the protection of a special law for the first time.

In 1992, the State Council promulgated the National Programme for Child Development in China in the 1990s to undertake its responsibilities for improving conditions of children.

Many important indexes for child development were written into China's Eighth Five-Year Plan (1991-1995) and the socio-economic development programme (1991-2000).

Thanks to efforts by the government and the whole society, unprecedented achievements have been made in a country with a population of 1.2 billion, one-fourth of whom are at and below 18 years of age. Compared with five years ago, children in China are better fed, clothed and educated.

However, given China's vast territory and the different levels of development, there are inevitable disparities in progress in the various areas. Especially, the education of children leaves much to be desired in poorer, out-of-the-way rural areas.

Each year 1 million children drop out of school. A majority live in poor rural areas.

To send them back to school, a nationwide nine-year compulsory education system has been enforced while the education budget has been increased year by year. Meanwhile, the "Project Hope," designated to support rural kids who cannot afford schooling, has been promoted vigorously.

Because of donations and love from people in and outside the country, the project has helped 1 million drop-outs return to classrooms in the past five years.

A "Hand in Hand" campaign, initiated to build a communication nexus between kids in cities and in the countryside, is also an upbeat sign.

The campaign encourages children to be sympathetic; friendly and, more important, learn to help. Beneficial to children from urban- and rural areas, it has been well received.

Rural children's battle for access to education is still a long and arduous one. To win it calls for a concentrated effort by the government, non-governmental bodies and individuals.

We hope the celebration of this year's International Children's Day will help increase the social awareness of the importance of providing better and healthier conditions for our children to grow up into citizens of the new century.

Table of Contents for QIUSHI No 11

HK0206061695 Beijing RENMIN RIBAO in Chinese
30 May 95 p 5

["Table of Contents of QIUSHI No 11, 1 June"]

[FBIS Translated Text] Report: "Important Measures for Implementing Idea on 'Science and Technology Is Primary Productive Forces' — Excerpts of Speeches by Yuan Mu, Gong Yuzhi and Others Made at Discussion 'Rejuvenating the State with Science and Education'"

Article by Chen Yanming: "Self-Cultivation of Party-Member Leading Cadres in New Period As Viewed From Growth of Kong Fansen"

Article by Chen Yaobang: "Making Efforts To Increase Investment To Enhance Comprehensive Agricultural Production Capability"

Article by Gao Mingxuan: "We Must Always Strike Blows at Economic Crimes in the Entire Course of Reform and Opening Up—A Few Words About My Understanding Gained from Studying *Selected Works of Deng Xiaoping*"

Article by Shi Laizong: "Philosophical Characteristics of Deng Xiaoping Theory on Nature of Socialism"

Article by Liu Feng: "Adhering to the Guiding Principle of Giving First Place to Public Ownership"

Article by Liang Youping: "Strengthening Self-Restraint Is a Foundation for Development of Enterprises"

Article by Zhang Qizi: "Treating Traditional Culture in Scientific Manner"

Article by Hao Huaiming: "Social Morality Must Get Rid of a Certain State of Stagnation"

Article by Duan Zhiqian: "It Is Necessary to Vigorously Advocate Moral Norm of Collectivism"

Science & Technology

New Advances Made in Controlled Fusion Research
SK3105143995 Beijing XINHUA Domestic Service
in Chinese 1444 GMT 27 May 95

[By reporter Yang Quanxin (2799 0356 2450): "The PRC Steps Toward the World's Foremost Position in Research on Controlled Nuclear Fusion"]

[FBIS Translated Text] Chengdu, 27 May (XINHUA) — Recently, pleasant events occurred one after another within the PRC's nuclear physics circles. First, the HT-7 superconductive nuclear fusion installation, built by the Hefei Plasma Physics Research Institute under the Chinese Academy of Sciences and based on wide

international cooperation, successfully completed its first trial operation. After that, the PRC's new No. 1 Tokamak system, designed and manufactured by the Xinan Physics Research Institute under the Nuclear Industrial Department, passed its state acceptance test. Both PRC and foreign nuclear experts maintain that these achievements indicate the PRC has stepped toward the world's foremost position in research on controlled nuclear fusion.

Controlled nuclear fusion is one of the major subjects researched by the international scientific and technological circles at present in order to solve problems concerning mankind's future energy resources. The research aims at sending out in a controlled manner the massive energy produced from nuclear fusion regulated by man, using the energy to generate electricity. So far, the world has made headway in conducting feasible research on controlled nuclear fusion.

The PRC began to deliberate on the research of controlled nuclear fusion in the 1950's and entered the development stage, focusing on experiments and research, in 1984. The beginning of this stage was marked by the completion of the PRC's No. 1 Tokamak system (HL-1), manufactured by the Xinan Physics Research Institute of the Nuclear Industrial Department, and of the HT-6M Tokamak installation by the Hefei Plasma Physics Research Institute under the Chinese Academy of Sciences.

The No. 1 Tokamak system is the largest nuclear fusion installation that has been manufactured and gone through trial operations in the PRC. Through operations over the past eight years, Chinese science professionals and technicians engaged in fruitful research work and made more than 400 scientific and technological findings. Particularly, the experiments in exhaust holes and exhaust valves have brought about changes from low restrictions on plasma to high restrictions, and the density of plasma has been greatly raised. In addition, success has been achieved in such experiments as the injection of frozen hydrogen, the driving of low mix-wave electric currents, and electronic circling and resonance heating. Manufacturing the PRC's No. 1 Tokamak system makes our country possess its own nuclear fusion installation for the first time, as well as the competition and cooperation conditions for researching nuclear fusion. Following the manufacture of the HT-6M installation by the Hefei Research Institute, some gratifying achievements have been made in the research on subsidizing heating and driving electric currents, and greater headway has been made in research on the resonant circling field's unstable influence over magnetic fluids.

The PRC's No. 1 Tokamak system, accomplishing all predetermined experiments, was rebuilt into the PRC's new No. 1 Tokamak system. Thus, the PRC's new No. 1 Tokamak system is a new installation with all parameters increased by a large margin. This new installation was completed in October 1994. Through preliminary experiments, this installation obtained plasma that is stable and balanced for a second or so, and has also gained a series of internationally advanced physic parameters. Through on-the-spot assessments and experiments, the committee for assessing the acceptance test, organized by authoritative nuclear experts in the PRC, maintained this new installation is the PRC's first Tokamak system whose plasma's electric current exceeds 300 kilovolt-amperes; its relevant functions, major technological parameters, and targets attained internationally advanced levels of installations of the same category.

The Xinan Physics Research Institute under the Nuclear Industrial Department is now trying to import advanced Tokamak installations from Germany so as to rebuild China's No. 2 Tokamak system, which will be larger in scale and more technologically advanced. The completion of the No. 2 installation will make our country's research on controlled nuclear fusion more approach the first-grade levels of the world.

Officials Stress Economic Role of Science

HK0206040195 Beijing CHINA DAILY in English
1 Jun 95 p 4

[Article by Bian Zonghe: "Science, Technology Stressed"]

[FBIS Transcribed Text] Top leaders of localities and institutions sing in chorus the tune that science and technology play a key role in promoting the country's economy.

China has made great economic progress thanks to its market-oriented economic reform and opening up to the outside world during the past 15 years.

The country is determined now to substantially expand its productive social forces, increase its comprehensive strength, improve people's living standards and ensure the attainment of the strategic goal for quadrupling its 1978 GDP value by the turn of the century.

The recent national science conference plays a positive role in accelerating the development of science and technology and achieving further integration with the national economy, Railway Minister Han Zhubin said.

It is imperative to energetically develop science and technology and speed up scientific and technological progress in all of society, Han said in Science and Technology Daily.

Han added it is imperative to improve the quality and quantity of rail freight with the help of science. Railway enterprises are a pillar industry as well as a bottleneck of the country's economy—they lag far behind Western countries, Han continued.

Han said equipment and management of the country's railway industry should greatly improve to overcome this impasse.

Agriculture Minister Liu Jiang said the science conference has injected great impetus into improving the country's agricultural research and development.

Although the country boasts more than 6,000 agricultural scientific achievements annually, only 30 per cent to 40 per cent can be transformed into production.

This indicates the country's agricultural science has much to do in the future. Also, the situation holds strong potential for developing agricultural science and technology, Liu added.

Besides continuing scientific research, it is important to put achievements into practice to increase economic gains in agriculture.

To achieve this goal, scientists should find more channels in which they can transfer their scientific achievements to farmers. Rural areas' education systems should include more agricultural science courses, Liu said.

The agriculture minister urged the government, as well as social groups and individuals, to increase investment in agricultural sciences research.

Huang Huang, a top leader in Ningxia Hui Autonomous Region, said it is imperative to let everyone in the country know the key role science and technology play in the development of the country's economy.

A flexible management system needs promotion and scientists need encouragement to experiment given their scientific achievements' economic gains, Huang said.

It is important for an inland autonomous region to do a good job introducing and spreading science research to increase the power of its agriculture, Huang added.

Tian Chengping, governor of Qinghai Province, echoed Huang's view by saying that science and technology to a great degree can make up for an inland province's geographical disadvantages.

Tian said Qinghai has bounteous natural resources, so as more scientific advancements are put into practice, the province will surely be able to keep up with coastal regions in the near future.

Commentator on Industrializing High Technology
OW0206052395 Beijing XINHUA Domestic Service
in Chinese 1159 GMT 22 May 95

[Unattributed XINHUA commentary: "We Should Accelerate the Process of Industrializing High Technology"]

[FBIS Translated Text] Beijing, 22 May (XINHUA) — High technology is highly sophisticated and knowledge-intensive technology that represents advanced productive forces. It can only demonstrate its powerful force after it has been applied in producing commodities and facilitating industries. Without industrialization, high-technology achievements cannot produce economies of scale. High technology and its related industries, which are major components for evaluating a country's comprehensive national strength, have become critical factors for attaining dominance in international competition.

China has made remarkable progress in developing high technology and related industries since the middle of the 1980's. After implementing the "863" plans, China entered a new phase of high-technology development; enhanced its research-and-development capability; expanded its related scale; formed an overall structure; and attained a number of important accomplishments that attracted world attention. Since implementing the Torch Plan, China has promoted the commercialization and industrialization of new and high-technology accomplishments. While carrying out reform and opening up to the outside world, China has been implementing the Torch Plan in response to challenges posed by the new industrial revolution. Some economic and technology-intensive zones have begun to establish new and high-technology industrial development belts that characteristically aim to enhance regional progress. Through the transfer of relatively advanced technology, they have effectively transformed traditional industries, and developed new and high-technology industries, thereby promoting sustained progress in the regional economy.

Meanwhile, we also noticed: Contributions by China's scientific and technological progress only accounted for about 30 percent of China's economic growth, which is lower than that of developed countries. China's scientific and technological progress will be inadequate to transform traditional industries in the future, to form new industries, or to enhance technological reserves for further advances. Moreover, at present China cannot fulfill the scientific and technological requirements needed for its economic development.

The development of high technology and industrialization are the basic way to upgrade the industrial structure

and to considerably raise workers' productivity and economic efficiency. China's state industrial policies and development programs have given priority to developing high-technology industries. With preferential policy support, China has raised its high-technology industries' economies of scale and their percentage in the national economy. Consequently, some high-technology industries have gradually become key industries in the national economy.

While developing high technology and industrializing, we should mobilize, as much as possible, the enthusiasm of scientific research institutions; encourage close integration of large and medium enterprises and scientific research institutions, colleges, and universities; accelerate the process of commercializing and industrializing high-technology accomplishments; and specifically develop salable high-technology products. We should also fully utilize the advantages of state new and high-technology industrial development zones, and emphatically create a number of large transregional high-technology enterprises or conglomerates that are independent, able to develop on their own, and are relatively competitive in the market; that have economies of relatively large scale; and that possess intellectual property rights.

Studies and the development of high technology are the forerunners of modern economic progress and the source of development in high-technology industries. While developing high technology, we should closely integrate the need for constructing the national economy and national defense; understand the trend of global high-technology progress; persistently pursue limited objectives; and stress key tasks. Additionally, we should regard raising our ability to be independently creative, enhancing economic competitiveness, possessing intellectual property rights, and industrializing, as our principal objectives.

Comrade Jiang Zemin pointed out: "We should stage another round of liberation and enormous development in science and technology." We must make great efforts to develop high technology and related industries to establish a foothold in several important high technology fields of the world.

Military & Public Security

Party Instructs Media To Report More on Military

HK0206033395 Hong Kong HONGKONG
STANDARD in English 2 Jun 95 p 7

[By Wu Zhong]

[FBIS Transcribed Text] To cope with "international pressures and the new domestic situation", China's official media has been instructed to increase its report-

ing of military activities. The order came directly from the Communist Party central Propaganda Department and the People's Liberation Army's General Political Department, Chinese sources said yesterday. The PLA concluded a high-level Military Political Work Conference in Beijing last week in which political education and propaganda affairs under the new situation were discussed.

Chinese sources said that Beijing had taken the decision to approve Taiwan President Li Teng-hui's visit to the United States by the Clinton administration as a serious humiliation and challenge to the younger generation leadership with Jiang as its "core". "The Americans would not have dared to do this if Deng Xiaoping was still in power," they said. Beijing believes the West may try to further meddle in Taiwan affairs, the sources said, adding that "the (Li Teng-hui) incident has proved us right that we should not promise never to use forces against Taiwan."

Domestically Beijing has to look for something to boost the public's morale in the transition to the post-Deng era. Under such circumstances a show of China's military strength is useful, Chinese analysts said. This would also promote Beijing's ambitious plan of military modernisation in the run-up to the 20th century they added.

A report by the official Xinhua News Agency yesterday said that in modern wars the fighting power of troops under the PLA's Beijing Military Command Area had been tremendously enhanced and their equipment modernised. The armies had become specialised and their combined fighting power had been greatly enhanced to cope with modern wars, it said.

In recent years the Beijing Military Command Area has successfully organised manoeuvres consisting of counter-attacks, anti-landing battles, mobile support combats, and co-ordinated battles of the army and the air forces. The Beijing Military Command Area, which covers the municipalities of Beijing and Tianjin, and the northern provinces of — Hebei, Shanxi and Inner Mongolia, is the most important one of the PLA's seven military command areas.

The Xinhua report said that middle and high-ranking officers of the Beijing Military Command Area had received intensive training in commanding modern-day battles. They have improved their knowledge of high-tech military application, reconnaissance, camouflage, night vision, electronics, aviation, accurate control and guidance, Xinhua added.

To protest US approval of Mr Li's visit, Beijing has postponed military exchange programs with Washing-

ton. "We have always emphasised self-reliance in striving to modernise our national defence," PLA sources said, scorning comments that China needed US assistance to modernise its military.

***PLA Medical Official Views Medicine Management**

95CM0225A Beijing RENMIN JUNYI [PEOPLE'S MILITARY SURGEON] in Chinese 28 Feb 95
No 2, pp 3-4]

[*"Summary"* of speech by Lu Zengqi (7120 1073 4388), director of Health Department, PLA General Logistics Department, at conference on strengthening management of medicine of medical and health units stationed in Beijing: "Lawfully Manufacturing Medicines, Always Working Unremittingly, Pushing PLA Medicine Management to New Stage"; date not given]

[FBIS Translated Text] Today the work conference of medical and health units stationed in Beijing on strengthening the management of medicines opened. It transmits and implements the spirit of the State Council's urgent notice on further strengthening medicine management and the spirit of the national telephone conference on strengthening medicine management, analyzes the current situation, ferrets out problems, puts forward measures for improvement, implements well the spirit of the State Council's urgent notice and of the telephone conference, and will lead to better management of armed forces medicine.

1. Correctly analyze the current situation in armed forces medicine management, make the redress of illegalities in medicine management a prominent issue in current health work.

The People's Liberation Army (PLA) medicine is being managed fairly well. First, laws and regulations have been drawn up in a fairly solid fashion. Over the past several years the PLA General Headquarters, in line with relevant state rules and regulations and integrated with the reality of the armed forces, has formulated and promulgated more than 10 rules and regulations on medicine management, thereby laying a fairly good foundation for the lawful management of armed forces medicine. Second, the reorganization of medicine preparation has made medicines remarkably effective. Conditions in all PLA medicine preparation sections clearly improved after their examination and acceptance, exchanges and demonstrations. Third, progress in scientific research on medicines is being made fairly fast. Since 1987, a total of 46 new medicines have been approved by the state, among them five new first-category medicines, accounting for 29.4 percent of the 17 new first-category medicines approved by the state. Fourth,

the building of the medicine supervision contingent has been strengthened. We have set up a medicine supervision contingent of fairly high quality and with a fairly appropriate structure and layout, and in practice we have taken the path of effecting medicine supervision and management with armed forces characteristics.

However, in the PLA's medicine management there still exist problems that deserve our full attention. The main manifestations of these problems are: Some units and individuals ignore state and armed forces laws and regulations on medicine management, and collude with local lawless persons to manufacture fake and shoddy medicines; some units, in the name of scientific research, without obtaining approval unlawfully compound and prepare medicines, without authorization sell and use these medicines, and among these, the problem of biological medicine preparation is especially prominent; and some units do not strictly manage their anesthetics, allowing lawless persons to exploit loopholes in the management to cause anesthetics to flow into the hands of drug dealers, thereby causing a large number of bad effects in society, while other units indiscriminately advertise and wilfully exaggerate the effects of their medicines in order to solicit patients. The above-mentioned problems, with their adverse nature, serious consequences, and very bad effects, have already reached a point where something must be done about them.

The causes of the above problems are: First, the concept of the legal system is dim. Second, there is a one-sided pursuit of economic gain. To make money, some units, in places with extremely simple and crude conditions, compound and prepare medicines, and, without testing them, put them in clinical use and even sell them at high prices, thereby seriously harming the safety in medicine use. Third, for the interests of their own unit, the leaders of some units forget integrity under the temptation of personal gain, do nothing about what they know about a case, deliberately break rules, and to a certain degree play a supporting, conniving role.

Although these problems occur only in a small number of units and among a small number of persons, they adversely affect the armed forces image, undermine the prestige of PLA medical and health work, and they must draw the full attention of leaders at all levels and the broad masses of health workers.

2. We must, proceeding from the height of safeguarding the image armed forces health work and protecting troop health, fully recognize the extreme importance of managing medicines well and vigorously get a good grip on this management.

Medicine management is an extremely important and also a serious piece of work, and the party and state have always attached great importance to it. The National People's Congress [NPC] specially formulated the "PLA Medicine Management Law," which provides strict, clear laws and regulations on the production, administration, and use of medicines. Focusing on the current fairly chaotic situation in medicine management, the State Council on 29 September issued an urgent notice on further strengthening medicine management; on 31 October it held a national telephone conference on strengthening medicine management, and the senior officers of the Central Military Commission and the PLA General Headquarters have attached great concern and importance to armed forces medicine management. Zhou Keyu [6650 0460 3768], political commissar of the PLA General Logistics Department [GLD], said that "full attention should be paid to armed forces medicine management, and we certainly must ensure its quality, maintain its prestige, and conduct lawful operations." The full attention paid to medicine management by the State Council and by the senior officers of the Central Military Commission and the PLA General Headquarters is determined by the special position and role of medicines. From the state's standpoint, strengthening medicine management is an important piece of work for safeguarding the health of the masses of people, maintaining social stability, and ensuring the smooth carrying out of reform and opening up to the outside world and of economic construction. For the armed forces, the strengthening of medicine management is of even more special and important significance. It not only relates to the level and quality of health service guarantees during peacetime and wartime, but even relates to stability, cohesion, and fighting quality of the armed forces. The great number of medical and health workers in the PLA must, in line with the demands in the urgent State Council notice and in line with the demands in our department's 10 November urgent notice "On Strengthening Medicine Management by Armed Forces Medical and Health Units" and this conference, take practical, effective measures and make a great effort to get a good, tight grip on armed forces medicine management and come up with good results.

3. To manage medicines well under the new circumstances, we must give prominence to learning, obeying, and enforcing the law—these three key links—and conscientiously put armed forces medicine management on the track of management according to law.

To manage medicines well under the new circumstances, the main thing is to constantly study well and implement well the series of medicine management

laws, regulations, and systems with the "Medicine Management Law" as their core—this is the fundamental basis and precondition for medicine management. The fundamental reason that this or that kind of problem has appeared in the medicine management of some units lies in the fact that they cannot yet manage and act according to law. To get a good grip on armed forces medicine management under the new circumstances, we must give prominence to management laws and regulations and enhance the standard dynamics to raise the level of controlling and managing medicines according to law. At present, prominence and stress must be put on a deep involvement in learning, conscientiously abiding by, and strictly enforcing the law.

A deep involvement in learning the law is the basis for lawful medicine management. The leaders and the great number of medical personnel in medical and health units at all levels certainly must, starting from learning the law on medicine management and other relevant laws and regulations, lay a solid foundation for medicine management.

Conscientiously abiding by the law is the precondition for lawful management. For the great number of medical personnel in the armed forces, the key to conscientiously abiding by the law is to stress consciousness. The great number of medical personnel in the armed forces possess a fairly high political and ideological consciousness and a strict concept of organizational discipline, and should conscientiously obey the laws and regulations as they do military discipline. They should strictly implement self-standards. For example, during the purchasing and supplying of medicines, we stress strictly carrying out state and armed forces regulations, firmly purchasing according to law, and resolutely putting a stop to improper transactions and to sales commissions. The compounding and preparation of medicines must be done in strict accordance with the "Provisions for Management of Medications in Armed Forces Hospitals," the preparation sections must pass a test, and the preparation varieties must be examined and approved, with those not being approved not being able to be used by external units. A hospital's purchasing and supplying of medicines must be unified under the responsibility of its pharmaceutical department, decentralization must not be practiced, and authority for the management of all hospital pharmaceutical departments and dispensaries must be taken from nonmedicinal materials departments within a definite period of time.

Strict enforcement of the law is the key to lawful medicine management. First of all, leaders at all levels must take the lead in enforcing the law, and must resolutely deal with violations of the law in their own unit. There absolutely must be no cases of substituting

influence for law and of not interfering but rather being accomodating. Medicine supervisors and managers at all levels must boldly enforce the law, and, with regard to those units and individuals that forget the law under the temptation of personal gain, manufacture and sell fake and shoddy medicines, and solicit bribes and take bribes, supervisors and managers must not be indulgent and softhearted. Punish those who should be punished, and warn others against following bad examples. They certainly must not engage in the practice of having a policy on the higher level and a countermeasure on the lower level. In brief, we must, by learning, abiding, and enforcing the law, truly achieve a situation in which if there is a law it must be obeyed, if a law is enforced it must be enforced strictly, and if there is a violation of the law it must be investigated—thereby truly putting on a solid footing the "Medicine Management Law" and other policies, laws, and regulations on medicines.

4. We must, starting from the building of contingents, institutions, and systems, lay a solid foundation for armed forces medicine management.

We must further enhance the building of medicine management contingents. After several years of hard work, the PLA has already engaged more than 300 full- and part-time medicine supervisors, initially forming a medicine supervision and management contingent combining full- and part-time personnel, with part-time personnel as the main body—this is the main force for our supervising and managing armed forces medicines well. However, following the development of the medical undertaking, this contingent, viewed no matter whether from quantity or quality, is far from meeting the need. Of course, in quantity, because of the limit on the size of the establishment, it is fairly difficult to increase the number of full-time personnel. However, based on work requirements, when some units recruit comrades of good quality, correct work style, professional skills, and a strong capacity for doing part-time supervising and managing work, this is, after all, still a good way to solve the problem of insufficient manpower. The fundamental way to enhance the building of this contingent is to use one's brains, study and take effective measures, and improve the quality of this contingent. This will make it become a high-level contingent that is professionally proficient, strictly enforces the law, does not fear difficulty, and dares to tackle hard issues.

We must further perfect the laws and regulations on medicine management. Through hard work by the General Headquarters and all large units, an armed forces system of laws and regulations for medicine management has already been initially established. However, under the new circumstances, some systems need to

be adjusted and replenished, and others need to be reformulated. Next year, the "All-PLA Regulations on Health Work" are expected to appear, and the "Program for Reforming and Building Health Work in the PLA Before the Year 2000" is being drawn up. For armed forces medicine management, there also must be, based on the "Regulations" and "Program," some relevant institutions, provisions, and methods of implementation, thereby forming with the "Regulations" and "Program" a complete set of laws and regulations, institutions, and systems for armed forces health work. For medicine management, the first step will be next year's formulation of "PLA Measures for Management of Specially Needed Medicines" and "Punitive Regulations on Armed Forces Medicine Management." All large units also must, based on their own actual situation, formulate corresponding measures and detailed rules for their implementation in order to ensure the thorough implementation of medicine management.

We must further give play to the role of the system of medicine supervision and management. At present, throughout the PLA there has formed a three-level—General Headquarters, large units, and basic level—supervisory and managerial system, which plays an important role in work. However, there still exist many problems demanding prompt improvement. In particular, the basic level is fairly weak in this work, the dynamics of supervision and management are inadequate, and some work still falls short. A big problem is how to give full play to the role of this system, and the solution requires our full attention. I hope that at all levels health services leaders and medicine management departments will make some deep investigations and studies of this problem, get a good grip on the main weak links and the new problems that have appeared under the new circumstances, get closely involved in analyzing causes, propose countermeasures for improvement, and give full and good play to the roles of this system and of the technical supervising and managing bodies, thereby truly putting all work on a solid footing.

5. At all levels the leaders of health services organizations and health units must, from the height of revolutionary dedication and a strong sense of responsibility, make an effort to get a good grip on medicine management.

Leaders at all levels deeply understand the important significance of getting a grip, under the new circumstances, on medicine management; in their thinking they have overcome the muddled understanding that stresses medical treatment and slights medicine and stresses supply and slights management, and they have truly put medicine management on the important agenda. Those holding personal responsibility must get personally in-

volved and engaged. We must set up a goal responsibility system for medicine management, make the quality of medicine management an important element in examining the career achievements of health services leaders, and reward units which manage medicine well and have leaders who have performed meritorious services; otherwise, the leaders must bear the responsibility. In making a comprehensive evaluation of a medical or health unit, we must add weight to medicine management. Medicine management must be an important part of the assessment of hospital rankings, and careful consideration must be given in the assessment to

hospitals with serious problems in medicine management. The great number of medicine management personnel work hard all the year round on the first line of medicine management without attracting public attention, and they "unselfishly offer tribute." Leaders at all levels must be concerned about and cherish them, support them in their work, vigorously support them in the discharge of their duties, take the initiative to help them resolve real difficulties, create good work conditions and environments for them, and strive to relieve their "fears of disturbances in the rear."

General

Qiao Shi Discusses Law, Economic Efficiency

OW0206020695 Beijing XINHUA Domestic Service
in Chinese 0049 GMT 21 May 95

[FBIS Translated Text] Beijing, 21 May (XINHUA) — Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the National People's Congress [NPC] Standing Committee, recently granted an interview to Li Jing, secretary general of "A Tour in Breadth and Depth of China's Economic Efficiency" activities, in which he made important remarks on issues concerning improving economic efficiency and building the legal system. The full text of the interview follows:

[Li Jing] Currently China is in an important historical period in which its planned economic system is being transformed into a socialist market economic system and in which it is applying itself to promoting socialist modernization. Improving economic efficiency has great significance for achieving the objectives of the two drives. This year is a crucial one for state-owned enterprises to deepen reform and further improve their economic efficiency; and the masses of people are anticipating better results of reform and development. Would you please comment and assess "A Tour in Breadth and Depth of China's Economic Efficiency" — a series of large-scale investigative, study, and publicizing activities?

[Qiao Shi] We are currently forging ahead along the socialist path with Chinese characteristics, and all economic and social sectors of the country are undergoing extensive and in-depth change. The people's interests and China's national conditions demand that this historical change be a steady development process of relatively small price, and fewer ups and downs. This in turn demands that we place constantly improving economic efficiency in a very important position in the course of reform and development. Only by constantly paying attention to both development speed and economic efficiency, and by truly shifting the focus of development to improving economic efficiency, can the national economy develop rapidly and in a sustained and healthy manner; can inflation and price increases, which the masses are concerned about, be radically checked; can reform be gradually deepened; can the nation's overall strength continue to grow; can the people's living conditions be continuously improved; and can social stability be fundamentally assured.

Since reform and opening up began, the party and state have placed great importance on improving economic efficiency. The central economic work conference held at the end of last year emphatically pointed out the

need to make great efforts to improve the quality and efficiency of economic growth, and demanded that noticeable results be made this year. "A Tour in Breadth and Depth of China's Economic Efficiency" activities has great significance for carrying out the strategic plan of the party Central Committee and State Council to improve economic efficiency. I think state organs at all levels and the broad masses of people should show concern for and actively support these activities.

[Li Jing] We understand your calling on state organs at all levels to show concern for and support the activities is in the hope that, in making efforts to improve economic efficiency, they will simultaneously use economic, legal, and necessary administrative means. Would you please discuss the relationship between building a legal system for the socialist market economy and improving economic efficiency?

[Qiao Shi] On improving economic efficiency, Comrade Deng Xiaoping made a penetrating remark: Once we conduct reform, efficiency improves. Only reform and development can improve economic efficiency; and improvements in economic efficiency in turn create necessary conditions for deepening reform and development. Our economic legislation should reflect and manifest such relationships among reform, development, and improving economic efficiency. And, by strictly enforcing the law, we should ensure that reform and development are carried out smoothly, and economic efficiency is steadily improved.

[Li Jing] What is your opinion on how we can better use legal means to improve economic efficiency?

[Qiao Shi] Using legal means to improve economic efficiency involves legislation, law enforcement, publicizing the legal system, and work in other areas. All departments concerned should deepen their understanding and diligently and earnestly work to make contributions in this regard.

First of all, we should quicken the pace of economic legislation, and establish and work to refine a socialist market economic legal system. This also includes work to review and screen established economic laws and regulations — those that can no longer meet current development needs should be revised or abolished. Second, we should step up law enforcement and tighten inspection and supervision of law enforcement to ensure that all economic laws and regulations are strictly enforced. Third, we should step up publicizing of and education in the legal system to enhance people's consciousness of the need to manage business according to the law.

[Li Jing] Deepening reform of state-owned enterprises and building a modern enterprise system are critical to improving economic efficiency. How could economic legislation and law enforcement serve this purpose?

[Qiao Shi] The NPC and its Standing Committee attach great importance to making legal efforts to build a modern enterprise system that meets market economic needs; clearly defines enterprises' property rights and individuals' authority and responsibility; separates government administration from enterprise management; and that is based on scientific management, with the aim of making state-owned enterprises independent legal persons that run businesses on their own, are responsible for profits and losses, exercise self-restraint, and develop on their own. The Company Law, which has been put into force, is an important law that regularizes the main bodies of the market. Of course, we also need a series of supporting laws and regulations. Separating government administration from enterprise management is the key to establishing a modern enterprise system, as well as an important requirement of improving economic efficiency. We should ensure enterprises' legitimate rights and interests by legislating and enforcing economic laws and reasonably regularizing the government's function. Another thing is that we should use legal means to straighten out the responsibility, rights, and interests relationships between enterprises and their workers. For example, we should enforce the Labor Law to ensure laborers' legitimate rights and interests and to unleash their enthusiasm. Laborers are the masters of state-owned enterprises, as well as the most active factor of productive forces. Only by fully unleashing the masses of laborers' enthusiasm can we succeed in reforming state-owned enterprises and can enterprises' economic efficiency improve continuously.

[Li Jing] What areas of economic legislation and law enforcement currently are more important to maintaining market order and ensuring fair competition between enterprises?

[Qiao Shi] Currently, some market disorderliness, including some unfair competition, has affected some enterprises' economic efficiency. We must improve legislation in this regard and step up law enforcement. The NPC Standing Committee has enacted laws on unfair competition, product quality, and on protecting consumers' rights and interest; has adopted a decision on punishing the crime of producing and selling counterfeit and substandard commodities; and has enacted other laws on maintaining market order. Law enforcement and judicial departments should use these laws and decisions to fight regional protectionism to form a unified nationwide market. We should also strictly enforce the eco-

nomic contract law to straighten out creditor and debtor relationships between enterprises.

[Li Jing] Strengthening and improving macroeconomic regulation and control is an important measure to improve economic efficiency. What economic legislative and law enforcement work in this regard should be done?

[Qiao Shi] Our country is very big, its development is unbalanced, and its economic system is being transformed; therefore, it is very necessary to strengthen and improve macroeconomic regulation and control. The NPC and its Standing Committee have enacted a number of laws governing macroeconomic regulation and control; these laws should be truthfully enforced. For example, we should step up enforcement of the Budget Law to regularize investment behavior; we should use the Auditing Law and Statistics Law to prevent and wipe out the unhealthy practice of falsifying reports and withholding information; we should use tax collection laws, taxation management laws, and other taxation laws to sanction unlawful acts of evading tax and refusing to pay taxes, and to straighten out unpaid taxes. We should also earnestly publicize and enforce the Law of the People's Bank of China to maintain financial order and accelerate reform of the financial system. We are currently stepping up efforts to enact the planning law, investment law, and other relevant laws, to ensure that reform of the investment system and other relevant systems is carried out smoothly.

[Li Jing] Corruption and waste have seriously prevented economic efficiency from improving. What do you think we can do to radically solve this problem?

[Qiao Shi] Comrade Mao Zedong said: "Corruption and waste are extremely serious crimes." Comrade Deng Xiaoping also discussed this problem in depth. Such corrupt and negative practices as taking bribes and waste have seriously undermined our socialist modernization drive, poisoned the social atmosphere, and eroded cadres in party and state organs; therefore, we must resolutely eradicate them. According to Comrade Deng Xiaoping's conclusion, the fundamental way to solve this problem is to establish a legal system. We should establish a system to combat graft and waste. In building a socialist market economic legal system, we also should establish in the form of law, new systems gradually formed in the course of reform and practice that can effectively prevent waste and fight corruption, in order to improve management organs' efficiency and administrative honesty, and to ensure that resources are fully and reasonably utilized, which in turn will improve economic efficiency. Legislative, law enforcement, and judicial organs should endeavor to refine and implement

legal mechanisms for opposing corruption and waste, in order to facilitate economic development and ensure the country's long-term peace and stability. We must work hard to ensure success in this work.

[Li Jing] Finally, could you please say a few words about your expectations of "A Tour in Breadth and Depth of China's Economic Efficiency" activities?

[Qiao Shi] So far, the activities have yielded positive results. I hope, through conducting investigations and studies, you gain a better understanding of the situation, discover new problems, strive to deepen the public's understanding of economic efficiency, promote good experience, work to improve economic efficiency, and make more contributions to China's socialist modernization work. At the same time, I hope you will extensively publicize all economic laws and regulations, because this will facilitate the organic integration of economic means, legal means, and necessary administrative means, and will contribute to improving economic efficiency. I hope the activities will yield even greater results.

Efforts Made To Attract Rail Sector Investment

HK0206032895 *Beijing CHINA DAILY in English*
1 Jun 95 p 1

[Article by Yang Yingshi: "Rail Investors To Find Favour"]

[FBIS Transcribed Text] The government has stepped up efforts to attract overseas investment in developing railway transportation, which has been under increasing stress from the country's rapid economic growth.

The State Council is studying a draft document presented by the Ministry of Railways earlier this year which is to offer more preferential terms for overseas investment.

The document is likely to come out this year, according to An Shunyi, Deputy Director of the ministry's Foreign Investment and Technology Import Office.

"This is a very important move by the government and will benefit both the country and foreign investors," An said. He said that the railway system of China is an attractive market of great potential.

Preferential terms, he said, might include giving joint venture rail lines the right to set their own transport fares and allowing foreign investors to develop profitable projects such as real estate and commerce along the railways.

Sources from the Ministry of Railways revealed that the Central Government this year planned to invest 30.7 billion yuan (\$3.7 billion) in railway projects, but so

far only 24.72 billion yuan (\$3 billion) has been turned over to the ministry's budget.

The fund is far from sufficient, and investment from other channels is very important, the official said.

Because of the fund shortage, An said, the government has to give priority to fewer projects, which include the 2,370-kilometre-long Beijing-Kowloon Railway. The tracks of the railway are expected to be ready by the end of this year.

The country's railway transport industry lost 3.4 billion yuan (\$410 million) last year, and the loss is expected to increase sharply this year due to such factors as an outdated management mechanism and a rigid price system.

With its reform of railways lagging behind other sectors, the railway system has been losing market share while highways, waterways and air have gained, An said.

A senior official from the State Planning Commission said the railway system's shares in the nation's freight and passenger traffic volume now stand at 37.5 per cent and 42.9 per cent, respectively, both lower than in previous years.

So far, only one joint venture railway, stretching about 100 kilometres from Jinhua to Wenzhou in East China's Zhejiang Province, is under construction jointly by the local government and the overseas partners from Taiwan and Hong Kong.

Cities Along Chang Jiang Form Economic Zones

OW0206081595 *Beijing XINHUA in English*
0804 GMT 2 Jun 95

[FBIS Transcribed Text] Changsha, June 2 (XINHUA) — The 23 cities along the Chang Jiang River, China's largest, are joining hands to develop the market economy.

They have formed five economic co-operation zones in line with their geographical locations, and carried out more than 5,000 co-operation projects, involving banking, science and technology, commerce, materials supply, shipping, telecommunications, information, environmental protection, tourism, and social activities.

At present, the seven provinces along the river have opened 2,300 enterprises in Shanghai's Pudong New Area, China's largest economic and technology zone, which has taken the lead in the economic development of the Chang Jiang River Valley.

Shanghai, in turn, has set up chain stores in these provinces.

Located on the middle reaches of the Chang Jiang River, Hunan Province has undertaken more than 1,000 co-operation projects with Shanghai in recent years and about 540 of them have been completed.

These projects have helped Hunan to generate an additional output value of 300 million yuan a year and upgraded its traditional industries.

The increasing economic co-operation among the cities along the Chang Jiang has also promoted the formation of trans-regional groups, including the Changjiang (Yangtze) Economic Joint Development Corporation.

Report Given on Controlling Industrial Pollution

*OW0206093295 Beijing XINHUA in English
0924 GMT 2 Jun 95*

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — China has made further progress in controlling industrial pollution, urban construction, and in environmental protection, according to an annual report on the state of the environment in China in 1994 issued by the National Environmental Protection Agency (NEPA) here today.

The worsening state of the environment is more or less under control and in some areas is relatively stable, the report says.

"Tests have shown that the Qinshan and Daya Bay nuclear plants have had no perceptible impact on the surrounding environment," NEPA Administrator Xie Zhenhua said.

China's first nuclear arms development base in Qinghai Province has completed the decommissioning and treatment work in strict compliance with certain criteria.

Air quality in urban areas is relatively stable, and the waste discharge of heavy metals and toxic material in water from industries at or above the county level has been basically put under control. The water quality of major rivers, reservoirs, and groundwater in cities is fairly good, as is the water quality of most seas, and the development of industrial solid wastes has increased markedly.

The report also pointed out some more severe problems China is facing. The discharge of sulphur dioxide, smoke, and soot increased, and more cities suffered from acid rain than the previous year. Last year, three severe pollution incidents in the Huaihe River area in eastern China affected the lives of hundreds of thousand of local residents.

From a broader perspective, the environmental pollution in and around cities continues and is gradually encroaching upon the countryside. The environmental issue has

become a major factor in checking economic development and affecting human health.

Industries are the major sources of pollution, an increasingly large portion of which is coming from township industries, the report says.

Because China has given priority to basic industries, and as township industries are developing rapidly, greater problems for the environment will occur, and the task of treating industrial pollution will be even harder, Xie said.

In 1994, the amount of arable land in China decreased by 714,500 ha, an increase of 14 percent compared with 1993. And the area of desert land has surpassed that of arable land. However, the amount of forest resources is on the rise, with the number of forest fires decreasing, and the area of public green land in cities increasing.

Governments at all levels and departments of the State Council have enhanced work on environmental protection. Last year, China issued or amended 17 laws and rules on environmental protection, added 13 state-level nature reserves, bringing the total number to 90, and 14 national forest parks were built, increasing the total number to 640.

The NEPA started to issue an annual report on the state of the environment in China in 1990 in line with the country's "Environmental Protection Law". China has also cooperated with international organizations, including the World Bank and the Asian Development Bank, and some other countries, and more than 900 million US dollars worth of foreign funds have been introduced into China for this work.

Committee on Vocational Qualifications Inaugurated

*OW0206082495 Beijing XINHUA Domestic Service
in Chinese 0826 GMT 26 May 95*

[By reporter Gu Honghong (7357 3163 3163)]

[FBIS Translated Text] Beijing, 26 May (XINHUA) — A state work committee on the standards of vocational division and qualifications was inaugurated in Beijing today.

The main functions of the committee — composed of the Labor Ministry, the State Technological Supervision Bureau, the State Statistics Bureau, and 30 departments of the State Council in charge of specific vocations — are to organize, provide guidance for, and coordinate the establishment of state standards of vocational division and qualifications, and to organize work to review the "PRC Standards of Vocational Division" and the state standards of vocational skills.

Lin Yongsan, vice minister of labor, said at the committee's inaugural meeting: To carry out the guidelines set by the Third Plenary Session of the 14th CPC Central Committee on establishing standards of qualifications for various vocations and hiring standards, and on implementing the system of requiring certificates of both academic and vocational qualifications; and to meet the needs of developing the socialist market economy and the labor force market, it is necessary to practice socialized management of vocational qualifications certification under the government's guidance, to implement the system of attaching equal importance to certificates of academic and vocational qualifications, and to objectively and fairly appraise laborers' skills, in order to improve the vocational quality of all labor forces. Lin Yongsan said, to establish a vocational qualifications certificate system, we must scientifically study and decide on various vocational divisions, and based on these divisions, establish state standards of vocational qualifications.

The committee, based on state standards, plans to accomplish within three years the work on the "PRC Standards of Vocational Division," and to basically establish a system of state standards of vocational division and qualifications by the year of 2000.

Firms Penalized for Violating Movie Copyrights

OW0106144595 Beijing XINHUA Domestic Service in Chinese 1332 GMT 24 May 95

[FBIS Translated Text] Beijing, 24 May (XINHUA) — The State Copyright Administration [SCA] recently decided to mete out administrative penalties to three publishing units, including the Nanjing Audio-Video Publishing House [NAPH], for producing foreign audio-video products without the copyright owners' permission.

According to investigations by relevant departments in 1994, the NAPH published in the form of minilaser optic disks and videotapes four American movies — the "Fugitive," "Ambush at the Front," "Fatal Distance," and the "Terminal Target" — and a Hong Kong movie — "Bloody Town and the Flying Dragon." The Liaoning Radio and Television Audio-Video Publishing House published in the form of videotapes two American movies — the "Intelligent Kid," and "the Kid Messes Up the Streets." The Guangdong Audio-Video Publishing House published in the form of videotapes an American movie — The "Fugitive" (translated as "Desperately After the Murderer"). The above three publishing houses obtained so-called authorizations from some Hong Kong companies (including the Zhicheng Company, the Huangchao Enterprise Company Limited, the Tianlong Development Company, and the Yongxiang

Company). However, it has been confirmed that their authorizations were fake and consequently their actions constituted an encroachment of the above movies' copyrights. Therefore, in accordance with relevant regulations of the Copyright Law, the SCA meted out administrative penalties to the three respective publishing houses, which must stop the distribution and sale of pirated products, surrender pirated products to relevant departments, and pay fines.

The SCA pointed out: While producing foreign audio-video products, Chinese audio-video publishing units must pay attention to ensuring that their authorizations are genuine. When signing a contract with an authorizing party who is a member of the International Phonorecord Association or the Hong Kong Movie Association, a Chinese publishing house should ask the authorizing party to produce a certificate issued by its relevant association, confirming its copyright-assigning authority. Later, the authorized Chinese publishing house should submit both the copyright-assigning authorization certificate and the copyright-assigning contract to the SCA and register the transaction. No publishing house is allowed to continually produce audio-video products without legal authorizations; they must destroy all pirated products in their warehouses; and they should take effective measures to retrieve and destroy pirated products already sold. Otherwise, if they are caught, they shall receive severe administrative penalties.

Air Conditioners Sales Increase in Cities

OW0206083495 Beijing XINHUA in English 0821 GMT 2 Jun 95

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — Long before the sultry days of summer set in, sales of air-conditioners have already taken off in China's big cities, and the market is thriving.

Since early April, air-conditioners, which used to be considered part of a seasonal appliance market, can be found anytime in department stores in big cities, such as Shanghai, Tianjin, Guangzhou, Beijing, and Wuhan.

Last year the sales did not take off until July and August, when a heat wave swept over most places in the country.

Previous sales indicate that people have become more experienced in shopping for durable goods, according to Jiang Feng, deputy secretary-general of the China Household Electrical Appliances Association.

Most people thinking about buying this year assume that, the earlier, the better. A cooler summer, time to choose from different brands and types, lower price, and good after-sales service. For some buyers, an air-

conditioner is considered a part of the investment in interior decoration.

Jiang said that sales are partly affected by producers and retailers' sales promotions, in a fiercely competitive market.

This year, she says that she believes that the air-conditioner market will be better than last. There are more brands to choose from, with many buyers focusing on a few higher-quality brands.

The official predicted that the demand will continue to rise in 1995 to about 4.5 million air-conditioners, though the growth rate is slowing down.

At present, demand for air-conditioners in China mostly comes from cities and towns, especially large and medium-sized cities. A survey has shown that in Shenzhen, Guangzhou, and Shanghai, there are ten or so air-conditioners for every 100 urban families. The small number indicates huge potential for the market in the country, which has the largest population in the world.

In 1995, air-conditioner production is expected to increase to from 4.5 to 5 million, Jiang said, with supply and demand likely to reach a balance.

Statistics show that in the first quarter of this year, China produced 1.2 million air-conditioners, an 18-percent rise over the same period of last year. But, compared to the 30-percent increase in 1994, when 3.8 million air-conditioners were produced, it shows a drop.

China now has 100-some air-conditioning companies, 20 of them the main competitors. Statistics provided by the Association show that, in the first three months of this year, the 12 largest producers were responsible for 85 percent of the total output.

Jiang says that, when they are working at full capacity, these producers are able to make eight million air-conditioners a year, far in excess of the current market demand. Businesses must, therefore, control output and improve quality, because they face fierce competition in sales and post-sales service.

Foreign air-conditioning companies have joined in, most of them from Japan. Well-known companies, such as National, Sharp, Sanyo, and Mitsubishi, have set up joint ventures in China. They are estimated to snap up 10 to 15 percent of the Chinese market this year, Jiang said.

Inflation Control Termed 'Uphill Battle'

HK0206040395 Hong Kong WINDOW in English
2 Jun 95 p 24

["China Data" column by Ed Zhang: "Inflation Wins Another Round"]

[FBIS Transcribed Text] There is no indication of when China will succeed in its uphill battle to control inflation. The target of less than 15 per cent price rises for the year, announced by Premier Li Peng in March, was nowhere close to being reached in the first four months of this year. China's inflation rate in 1994, as expressed in year-on-year retail price increases, was 21.7 per cent.

Though it is still early to say whether China is losing the war against inflation, its goal looks even harder to reach. As some Chinese economists suggested at the end of last year, it is likely that the inflation rate will remain between 17 and 20 per cent in 1995.

In the first quarter of this year, the average retail price index rose 19.9 per cent from the same period in 1994, while that of the 35 largest cities increased by a less dramatic 15.5 per cent. And in April, the index stood at 18 per cent nationwide and 15.2 per cent for the 35 cities. Despite a decrease in the mean, 20 cities showed higher price rises than the average.

Average rises: The national picture is perhaps even less encouraging. Only two largest cities (Beijing and Tianjin) and two provinces (Hainan and Anhui) could manage to pull down their retail price index to below 15 per cent. Shanghai and seven other provinces reported average increases. Except Tibet, for which there is no available data, the other 17 provinces had above-average price rises.

For analysts, the most frightening type of inflation is the one shown in the month-by-month statistics. According to sources at the State Statistics Bureau, retail prices in the 35 cities climbed 0.6 per cent from March and the equivalent national figure was 0.7 per cent.

Food and grocery supply prices grew strongly. From March to April prices of staple food items rose by a shocking 4.2 per cent, according to SSB sources. Government economists are keeping their fingers crossed, hoping that a good harvest in the summer will help to stabilize grain prices. And again, it should also be noted, if the autumn crops are severely damaged in any two out of the three northeast provinces (Liaoning, Jilin and Heilongjiang), food prices will be pushed up everywhere.

The grocery market is more complicated. Prices, after a 38.2 per cent rise in 1994 on a year-on-year basis, increased by 1 X.7 per cent [as published] in January

from December, and again by 6.9 per cent in February from January. Then since the spring came around, according to the Chinese press, the momentum of price rises still has not tapered off.

But why does the grocery price continue to climb up when the weather is warmer and vegetables should be in ample supply? Local officials say more and more farmers in the near suburbs of large cities have stopped planting large acreages of common vegetable varieties and have shifted to more profitable cash crops. But expanding the vegetable supply network is difficult, due to bad transportation facilities and poor inter-regional coordination in commerce.

Some government economists have also blamed the industry's attempts to reset the prices of some of its products and services.

Apparently fully aware of the short life span of administratively imposed price caps, Qiu Xiaohua, one of the SSB's chief economists, says that since the price caps are artificial and tend to reduce business income, there are strong incentives for managers to seek every possible opportunity to push up prices.

In fact, many industries have proposed an increase in their prices, most noticeably the railway and power industries, two of the most unjustifiable money losers in the Chinese economy. But inflation has been so bad since the middle of 1993 that the central government has been forced to shelve all industrial price reform schemes before a propitious "soft landing" of the economy is possible.

Dilemma: Yet, as the most likely outcome of China's price control programme will be an inflation rate of more than 15 per cent in 1995 — no one can be sure when it will be lowered all the way to six per cent, as preferred by central government officials — most industries can do little more than wait. This is one major dilemma of the Chinese economy.

In the meantime, price rises in the urban market of capital goods (those used for industrial production) appeared to be by and large stable, showing an increase of only 2.6 per cent in the first quarter.

At the beginning of the year, problems in this market were, contrary to those plaguing agriculture, sluggish demand and stockpiling. Many producers have as a result scaled down their domestic supply and shifted to the export market.

The first quarter's steel output, for example, totalled 18.88 million tonnes, seven per cent down from the same period in 1994. Meanwhile, in China's steel trade 3.03 million tonnes were imported (1.20 million tonnes

less than the same period 1994) and 830,000 tonnes (530,000 tonnes more) exported.

Rise in retail price in selected cities (compared with the same period in 1994, in percentage)

	March	April
Beijing	11.9	12.2
Chongqing	23.4	17.5
Dalian	16.1	14.4
Fuzhou	20.0	18.2
Guangzhou	11.5	12.6
Hangzhou	13.1	14.7
Lanzhou	17.4	18.9
Nanjing	12.5	13.5
Shanghai	15.3	15.0
Shenyang	19.0	18.1
Shenzhen	13.6	13.2
Wuhan	16.0	14.5
Average of 35 cities surveyed	15.5	15.2

Source: State Statistics Bureau

Finance & Banking

Bank of China Says Treasury Bonds Sold Out
HK0206035895 Beijing CHINA DAILY in English
1 Jun 95 p 1

[Article by Ren Kan: "T-Bonds Nearly Sold Out"]

[FBIS Transcribed Text] The Bank of China announced yesterday that it has sold out its 13.2 billion yuan (\$1.59 billion) in underwritten certificate treasury bonds, becoming the first among the country's four specialized banks to do so.

The Industrial and Commercial Bank of China, the People's Construction Bank of China and the Agricultural Bank of China also have reported brisk sales of their underwritten treasury bonds.

An official with the Construction Bank said his bank had sold 17.2 billion yuan (\$2.07 billion) worth of bonds by yesterday, accounting for 91 per cent of its underwritten bonds.

The Industrial and Commercial Bank reported it had sold 95 per cent of its bonds and the Agricultural Bank, 89 per cent, by May 25.

According to statistics from the People's Bank of China, more than 96.87 billion yuan (\$11.67 billion) of certificate treasury bonds have been sold, accounting for 93.06 per cent of the planned issue.

The figure registered a 72 per cent rise over the same period last year.

The Bank of Communications, a commercial bank, and the local finance departments had finished their selling by May 25.

Analysts said that it seems sure this year's T-bond issue will be finished ahead of schedule.

China began selling the certificate treasury bonds, which can not be traded, on March 1. The issue period is scheduled to last until July 31.

The bonds have been well-received mainly because individual Chinese investors, who have few investment alternatives, are drawn by the bonds' attractive interest rate.

Report on Zhengzhou Commodities Exchange

OW0106075195 Beijing XINHUA in English
0729 GMT 1 Jun 95

[FBIS Transcribed Text] Zhengzhou, June 1 (XINHUA) — The Zhengzhou Commodities Exchange (ZCE) in this capital of central China's Henan province has done 800 billion yuan worth of futures trading since it opened in May 1993.

More than 29 million contracts have changed hand there, with 300,000 contracts being traded on the market each day, and their value jumping from less than 30 million to nearly 10 billion yuan in the past two years.

From January to May this year, the number of contracts traded and their value increased by 500 and 600 percent, respectively, over the same period of 1994.

Although it began as China's first agriculture futures market, ZCE now trades in textiles, metals, and building materials, among other items.

ZCE now has 200 trading seats for 196 member firms from across the country, in the industrial, agricultural, commercial, financial, materials, and foreign trade sectors.

ZCE has opened a number of channels to pass information to member firms to aid them in adjusting their production to prices on the futures market, and in hedging.

Foreign Trade & Investment

MOFTEC Says 'Better Cooperation' With Hong Kong

HK0206030995 Beijing ZHONGGUO XINWEN SHE
in English 1321 GMT 1 Jun 95

[FBIS Transcribed Text] Hong Kong, June 1 (CNS) — At the China Investment Trade Talk held here last year, Hong Kong businessmen were very active and had agreed to splash an aggregate capital investment of US\$6.7 billion to support Chinese enterprises.

This year, the main objective of the 1995 China Investment Trade Talk, which is scheduled to be held in Hong Kong from June 6 to 9, is to enhance better co-operation between Hong Kong and the mainland, in particular the central and west regions, said Ma Xiuhong, deputy foreign investment director of the Ministry of Foreign Trade & Economic Co-operation (MOFTEC).

Appearing at a press conference in town to promote the trade talk, Ma said it will be a comprehensive (foreign) capital hunting mission comprised of senior officials from two ministries as well as 240 trade representatives from 16 provinces and cities. In order to attract more foreign businessmen investing in the central and west regions, Ma said, 289 out of a total of 510 investment projects (57 percent) will be offered by the central and west regions.

In line with the Chinese government's policies and efforts to expand economic, trading and investing activities in the central and west China, Mrs. Mary Wong, assistant director of Hong Kong Trade Development Council (HKTDC) said that the HKTDC has already opened several representative offices in Wuhan, Chengdu and Kunming during the year to help strengthen and co-ordinate the economic and trading activities to be launched later this year in the central and west China. Trade Fairs will be held in Kunming, Zhengzhou, Wuhan and Urumqi while business delegations will be arranged to visit Chongqing, Wuhan, Suzhou and Xi'an.

In the meantime, a seminar on the subject of China's policies to attract foreign investment will be held on June 6, 1995. A number of Chinese officials including Gu Yongjiang, deputy minister of MOFTEC and senior officials from the State Planning Commission, People's Bank of China, the State Administration of Taxation, China Securities Regulatory Commission, General Administration of Customs, Ministry of Labour and State Administration of Exchange Control will deliver speeches at the seminar.

Japanese Banks Agree on Loan to Steel Industry

OW0206075895 Beijing XINHUA in English
0725 GMT 2 Jun 95

[FBIS Transcribed Text] Shanghai, June 2 (XINHUA) — Four Japanese branch banks here have agreed to a total of 20 million U.S. dollars in loans to the China International Iron and Steel Investment Corporation to help finance China's steel industry, according to the local WEN HUI DAILY [WEN HUI BAO].

The agreement was signed by the Shanghai branches of the Sakura Bank Ltd, the Industrial Bank of Japan, the Dai-Ichi Kangyo Bank, and Sanwa Bank, the newspaper said.

The report, which did not give any details, described the loan package as an indication of Japanese bankers' confidence in the Chinese economy.

U.S. Business Information Hotline Launched

OW0106142595 Beijing XINHUA in English
1414 GMT 1 Jun 95

[FBIS Transcribed Text] Beijing, June 1 (XINHUA) — China's Directorate General of Telecommunications (DGT) today announced the launching of an international telephone service, known as Audiotex, which provides Chinese callers with fast access to updated information about U.S. business and trade opportunities.

Han Songlin, director of the International Communications Department of the DGT, which is under the Ministry of Posts and Telecommunications, said that Chinese customers can now dial "001-456-2893501" to get information in the Chinese language.

The information averages three to six minutes per item, for which the caller should pay only the applicable international long-distance charge, he said.

This new long-distance telephone service is jointly run by the DGT and AT&T, a US-based global telecommunications leader, and its information is provided by the WPI Group, a company specializing in Audiotex services based in the U.S. state of New Jersey.

Through the long-distance telephone service, callers can obtain information about Sino-U.S. trade opportunities, U.S. analysts' advice to Chinese businesses wishing to enter the U.S. market, and updates of press reports on U.S.-China trade agreements and developments, as well as latest technological achievements in the U.S. and their commercial prospects.

"The service offers valuable but concise information, so it saves the callers' time and energy in doing research," said Phil Overmyer, regional managing director of

correspondent relations with the AT&T Communication Services Group.

Han noted that exchanges and co-operation between China's businesses and those of the United States have quickly expanded in tandem with China's ongoing domestic economic take-off, "so this service comes at the right time".

He predicted that the Audiotex service will appeal to Chinese businesses and individuals who want to trade with U.S. companies and have interest in U.S. commercial and technological development.

Moreover, a traveling information service jointly operated by AT&T and WPI will open in China in the next few weeks, according to an AT&T official.

Crackdown on Copyright Piracy Continues in Beijing

OW2605024595 Beijing XINHUA in English
0224 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — The Beijing copyright authority will continue its crackdown on the piracy of video and audio tapes, computer software and books, officials have vowed.

Criminal groups will be targeted in the campaign, He Zhuoxin, director of the city's copyright bureau said on Thursday [25 May].

The bureau and the Beijing Justice Bureau will soon jointly set up a notarization system for voluntary copyright registration, he revealed.

He also said that the bureau will reinforce the management of copyright trade with foreign countries.

People should have copyright contracts signed with foreigners registered at the bureau, he noted.

The bureau has already received 239 copies of overseas-related copyright contracts, the official added, explaining that the measure will serve to reduce copyright disputes.

Thousands of pirated CDs [compact discs] were confiscated and destroyed in the city last year, according to He.

Report on Hainan's Yangpu Development Zone

OW0106050395 Beijing XINHUA in English
0305 GMT 1 Jun 95

[FBIS Transcribed Text] Haikou, June 1 (XINHUA) — The Yangpu Economic Development Zone in south China's Hainan Province has attracted more than three

billion yuan in investment since construction of the zone started two years ago.

Of this amount, 2.7 billion H.K. dollars have come from overseas investors, according to official statistics.

Because of the large investment, 65 percent of the area has been levelled, more than 20 km of highways have been built and 2200 lines of program-controlled telephones have been installed.

Meanwhile, the first stage of a thermal power plant has been completed and three berths are under construction in Yangpu Harbor.

Half of the 2,364 families who will have to be relocated, have been resettled in other areas.

Jiang Shangzhou, director of the Administration Bureau of the zone, says that the central government has reiterated its stance that the zone will enjoy favorable policies.

He said that 2.2 billion yuan will be invested in building an expressway from Yangpu to Haikou, the capital of the province, and construction of a water supply system will also begin at the end of this year.

A small airport has also been listed as part of the construction plan, he added.

Property Appraisers To Train in U.S.

OW0206080095 Beijing XINHUA in English
0738 GMT 2 Jun 95

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — In an effort to standardize China's assets appraising industry, the State Administration of State Property (SASP) has decided to send a group of appraisers to the United States for training, a paper reported here today.

Today's CHINA SECURITIES [ZHONGGUO ZHENGQUAN BAO] quoted observers as saying that the measure is part of an effort ultimately to give the work of the country's appraisers credibility on overseas stock exchanges.

Government sources have said that losses of state property have become "considerably more serious" in recent years, partly due to the "undesirable" quality of the country's inexperienced appraisers.

In many cases, both the tangible and intangible assets of the state have been undervalued in Sino-foreign joint projects, the newspaper said.

Late last month, the SASP and the Ministry of Personnel released a circular saying that China will introduce a

system whereby only certified public valuers (CPV) will be allowed to appraise assets, and starting next year, annual exams will be held to decide who qualifies for certification that will be mandatory for work in an evaluation agency.

Agriculture

Hebei Province Expected To Have Good Wheat Harvest

OW0206051095 Beijing XINHUA in English
0323 GMT 2 Jun 95

[FBIS Transcribed Text] Shijiazhuang, June 2 (XINHUA) — Hebei Province, a major grain producer in China, is expected to harvest a record 9.75 million tons of wheat this year, according to the provincial Department of Agriculture.

That figure will represent a five percent increase from 1994, an official of the department said.

The official attributed the good harvest to farmers' initiatives in grain production arising from higher grain prices, more government investment in agriculture, and the extensive use of high-yield wheat seeds.

He said that farmers planted 2.48 million hectares in wheat in 1994, 33,000 hectares more than in the previous year.

Banks extended 1.22 billion yuan in loans for agriculture in the first quarter of this year, up 41 percent from the same period in 1994, and farmers per capita spending on agricultural production hit 81.3 yuan during that period, an 87 percent increase.

More than 30,000 government officials and technicians went to rural areas to direct farmers in the fight against drought, which hit most of Hebei Province, the official said.

Cloud seeding was also conducted by plane to produce rain in key wheat-growing areas, he said.

*State Farms Increase Crop Area in 1995

95CE0415K Beijing JINGJI CANKAO BAO
in Chinese 24 May 95 p 1

[FBIS Summary] At present, the total crop area of state farms throughout China is 53.3 million mu, an increase of 1 million mu over 1994.

East Region

Fujian's Jia Leads Delegation to U.S., Canada

HK0206063295 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 19 May 95

[FBIS Translated Text] Yesterday [19 May] evening, Jia Qinglin, provincial party secretary and chairman of the provincial People's Congress Standing Committee, led a Fujian provincial delegation on a visit to the United States and Canada. The purpose of Jia Qinglin's current visit is to deepen understanding and to promote friendship in order to expand exchanges and cooperation between our province, and the United States and Canada in the fields of economy, trade, science, technology, culture, education and so on.

During their stay in the United States and Canada, the delegation will tell them about the achievements scored by our province in economic construction and social development, and our province's investment environment and preferential policies for attracting foreign capital as well. It will extensively meet with officials and people from all walks of life to discuss a number of projects for cooperation.

*Jiangxi Meeting on Corruption

95CM0271A Nanchang JIANGXI RIBAO in Chinese, 5 Apr 95, pp 1, 3

[Article by Fu Yun (0265 0061): "Get an Accurate and Clear Understanding of Anticorruption Situation, Realistically Implement All Measures—The Provincial Government Convenes a Conference To Launch Anti-Corruption Efforts"]

[FBIS Translated Text] In accordance with Governor Wu Guanzheng's proposal, on 4 April, the provincial government convened an anticorruption work conference at Nanchang. The standing committee of the provincial party committee and Vice Governor Shu Shengyou emphasized at the conference that the provincial government convened this anticorruption work conference to conscientiously study and thoroughly implement the spirit of the speeches given by General Secretary Jiang Zemin and Premier Li Peng at the Fifth Plenary Session of the Central Disciplinary Commission and the State Council Anticorruption Work Conference, and, in accordance with the demands of the Fifth Plenary Session of the Central Disciplinary Commission and the Tenth Plenary Session of the Provincial Disciplinary Committee, to draw up a plan for the government anticorruption efforts and to further intensify Jiangxi Province's anticorruption struggle.

Shu Shengyou emphasized three aspects of the problem: To clearly understand the anticorruption struggle and to

deepen our understanding of its relentless implementation; to increase our efforts and more thoroughly initiate relentless implementation and to relentlessly carry out ideological and systemic development.

Shu Shengyou said that since the party Central Committee and the State Council came out with the decision in August 1993 to conduct the anticorruption struggle, Jiangxi Province has adhered to the spirit of the Central Committee and integrated it with the actual situation in the province, has launched several anticorruption struggles, and often supervised and urged checks, achieving rather great success. Especially last year, in accordance with the CPC Central Committee and State Council plan, the provincial party committee and provincial government have upheld the "grasp with both hands and both hands must be firm" policy and with a high degree of seriousness have conscientiously launched the anticorruption struggle, conscientiously made the anticorruption effort a major effort to be stressed, improved their leadership, and adopted a series of measures to take charge of implementing it in a down to earth manner. Discipline, inspection, and control organizations under the leadership of the party committees and the governments at every level have enthusiastically initiated party style and clean government education and enhanced their efforts to investigate and deal with cases and establish sound supervisory and restraint mechanisms. With common effort throughout the province from top to bottom, based on the 1993 anticorruption struggle efforts they have achieved phased results to different extents. He said that while affirming the successes, we must soberly look at the fact that there still are some situations and problems in the anticorruption effort. There still are disparities between anticorruption efforts and their achievements and the demands of the party and the popular masses. These problems must be conscientiously further studied and resolved in future anticorruption efforts.

Shu Shengyou pointed out that heightening leading cadre awareness of the importance and urgency of the anticorruption struggle still is a key issue in launching a more intense anticorruption struggle. First, anticorruption is an essential requirement in thoroughly implementing the party's basic line and an important guarantee for concentrating forces to develop the economy. In the process of establishing a socialist market economic system, money-worshipping, hedonistic, corrupt elements often avail themselves of loopholes in reform and opening up. So the more intense the reform and the more that the socialist market economy is developed, the more we must unswervingly oppose corruption. Secondly, anticorruption is an important measure for maintaining social stability. Corrupt people often are

people with a certain amount of power in their hands. If we allow corruption to spread, not only will it destroy normal economic life and order and impede socioeconomic development, it can easily create dissatisfaction with the political situation among some of the public, affecting the party's and the government's relationship with the public and causing some local social atmospheres to turn bad, thus distorting people's values and bringing on serious social problems. So there would be no way to strengthen the stability and unity of the political situation, not to mention carrying out economic development.

Shu Shengyou demanded that as leaders at every level review their experiences in the anticorruption struggle, they look squarely at the situations that anticorruption efforts are facing, and, based on a thorough understanding of the significance of the anticorruption struggle, further integrate their thinking, deepen their understanding, and coordinate this year's anticorruption struggle with the overall party and national effort formulated by the Central Committee to overcome the passive attitude and the lack of enthusiasm in anticorruption efforts and relentlessly implement all anticorruption efforts. If we do this, we are sure to achieve even greater results than last year. The general demand for this year's anticorruption efforts is to continue to adhere to the general pattern of the guiding ideology, the basic principles, and the three efforts for anticorruption determined by the Central Committee, and, on the basis of consolidating earlier gains, to stress intensified implementation and constantly achieve new results.

The first thing is that we must conscientiously measure and examine the honesty and self-discipline of leading cadres. While continuing to implement the two "five regulations," every locality and every department must conscientiously do a good job of implementing the supplementary regulations of the Central Committee in four respects, including building residential housing, using sedans, and not permitting the use of public funds for participating in high consumption entertainment and banquets. We must continue to persist in focusing on leading cadres in party and government organizations at the county (department) level and above, while raising specific demands for honesty and self-discipline of grass-roots cadres at the county (department) level and below and leading cadres in state enterprises and institutions, and supervise, urge, and examine them. Leaders in every locality and department in their work certainly must have unified planning with due consideration for all concerned and stress the key points and implementation. On the one hand, we should compare it to the Central Committee's two "five regulations" and the corresponding supplementary

regulations and check item by item to see if the problem has already been corrected and dealt with and whether we have new violations of regulations. On the other hand, we also must check to see if the regions and units in our own jurisdictions are upholding the "grasp with both hands, both hands must be firm" policy and conscientiously implementing the anticorruption work plan, and whether they are proposing methods of resolving existing problems.

The second thing is that in investigating and handling cases we must exert a great deal of effort to get a firm grasp on the facts. We must continue to focus on investigating and dealing with violations of law and discipline in leading organizations, law enforcement departments, and economic management departments; focus on investigating and handling cases of leading cadres at the county (department) level and above, pay attention to investigating and handling cases in such areas as finance, securities, funds, real estate, and land leasing approval; and increase our efforts at investigating and handling cases. Discipline inspection and control organizations, judicial organizations, and law enforcement organizations should further improve their coordination and cooperation and speed up their rate of investigating cases and solving cases. We should strictly enforce discipline and enforce the law and we cannot be entangled by relationships or be interfered with by pleas for mercy. We cannot be influenced by local or departmental protectionism; we cannot make light of major incidents, we cannot cover up and show partiality; and we certainly cannot appease and abet. We should establish a responsibility system for handling cases and realistically improve the efficiency and quality of our handling cases. Localities and departments must take handling major cases and important cases seriously, principal leaders should listen to reports, improve their coordination, assist in eliminating interference and obstruction, and ensure that efforts to deal with cases proceed normally.

The third thing is that in correcting the unhealthy tendencies of departments and industries, we should dare to confront and dare to correct. Regarding already launched efforts, such as clearing up arbitrary collection of fees, public funds going out of the country's (borders) for tours, and free use of enterprise money and goods, as well as unlinking organizations from the economic entities that they manage and having two lines for revenue and expenditures of administrative fees and fines and confiscations, on the one hand, we should adopt strong measures and relentlessly implement them. On the other hand, we should further consolidate such aspects as establishing systems and making them more sound, enhance administration, and make every effort to scratch out success. In accordance with the demands of the Cen-

tral Committee and the provincial party committee, this year throughout the province we must concentrate on resolutely stopping the three unhealthy tendencies of arbitrary establishment of tax stations, arbitrary collection of fees, and arbitrary fines on highways; arbitrary collection of fees for middle schools and elementary schools; and arbitrary apportionment and arbitrary collections of fees from peasants. Other departments and industries must each determine their own goals and focuses for correcting unhealthy tendencies and realistically resolve one or two prominent problems to which the public reacts strongly.

Shu Shengyou emphasized that improving political ideology and legal systems form the basis and are essential measures for guarding against corruption and resisting incidents. Improving our efforts in political ideology will improve the political ideological quality of the broad masses of cadres and people and, most essentially, will resolve the problems of worldview and outlook on life. We must guide and organize the broad masses of cadres and people in intense study of Marxism-Leninism and Mao Zedong Thought, intense study of the theory of socialism with distinctive Chinese characteristics developed by Comrade Deng Xiaoping, intense study of the important speeches given by General Secretary Jiang Zemin at the Fifth Plenary Session of the Central Disciplinary Commission and Premier Li Peng at the State Council Anticorruption Work Conference to transform the subjective and objective worlds.

In accordance with the demands brought up by Comrade Wu Guanzheng at the tenth plenary session of the provincial discipline committee, this year we must stress doing a good job of emphasizing four aspects of education among the broad masses of cadres, party members, and the public: First, to improve education in communist ideology and conviction, properly understand and deal well with the relationship of reform and innovation to the excellent inherited tradition, the relationship between absorption and resistance to things from the opening to the outside, and the relationship between "getting rich first" and common prosperity, and resolutely develop the sense of mission of socialism with Chinese characteristics and seeking to dedicate one's life to the struggle for communism. Second, to improve education in the aim of serving the people wholeheartedly and establish a consciousness of "public service," so that every cadre, especially leading cadres, can constantly keep firmly in mind that the authority vested in us was given by the people and can only be used to seek the interests of the people and certainly cannot be used for the illicit benefits of individuals or small groups. We must firmly establish the Marxist mass perspective, often immerse ourselves among the masses, understand

the masses, be concerned about the masses, breathe the same air and share the same destiny with the popular masses, and earnestly improve our ideological and work styles. The third thing is to improve education in struggling arduously and hard work and thrift, keeping firmly in mind that struggling arduously is the glorious tradition of our party, a magic weapon for maintaining close relations with the popular masses, and an essential political quality that a cadre, especially a leading cadre, must possess. The fourth thing is to improve education in social ethics and professional morality to develop a contingent of workers that have ideals, discipline, morality, and civility; establish a spirit of working, loving, and specializing as a group; and initiate high quality service.

Shu Shengyou said that leadership is the key to whether the anticorruption efforts can intensify and whether they can capture new success. Leading cadres at every level must first set an example with their actions. They must take the overall interest into consideration, take the lead in safeguarding the unity between government decrees and political discipline, be open, and resolutely oppose activities that harm the overall interest for local, departmental, or small group interests. They must take the lead in hard-working and clean government, establish a firm revolutionary outlook on life, and persist in the aim of wholeheartedly serving the people. They must attach special importance to overcoming bureaucracy and formalism, and opposing and guarding against irresponsible actions, dereliction of duty, and malfeasance. They must do much studying with little recompense, investigate the true state of affairs and deal with facts, emphasize quality and stress efficiency, look to the overall situation, observe discipline, and truly act as good public servants. Second, they must put ideology in its proper place. Anticorruption is an extremely arduous task and, under the unified leadership of the party committee, must be grasped by the party and the government together, and they must seize the initiative in major leadership responsibility and integrate and divide up the responsibilities of component bodies. Leaders of localities and departments must take the initiative in assuming leadership responsibilities for their regions and their departments in the anticorruption struggle, and on their own accord do a good job of resolving existing problems. Third, they must increase leadership efforts in their work. They must place the anticorruption struggle on the important agenda. Principal leaders must assume overall responsibility. In accordance with the unified plan of the Central Committee and the provincial party committee, they must point by point propose clear-cut work standards and specific measure, and with each level responsible for itself, level stress layer by layer implementation.

Liao Yansheng, vice chairman of the provincial People's Political Consultative Conference, attended the conference, and Zhu Yingpei, secretary general of the provincial government, presided over it conference.

At today's conference, speeches were given by comrades in charge of the provincial control, finance, and transportation departments and the education committee on the situation of the provincial government's anti-corruption efforts; administering the budget for income and expenses for administrative fees, fines, and confiscations; the issue of curbing arbitrary collection of fees for secondary and elementary schools; the "three arbitraries" of administering highways; and specific proposals for this year's anticorruption efforts.

Comrades in charge of provincial government departments and departments and units of the central government in the province participated in the conference. Comrades in charge of relevant departments of the provincial party committee, the provincial People's Congress, and the provincial People's Political Consultative Conference and all the democratic parties, as well as some central news units stationed in Jiangxi also were invited to participate in the conference.

Shanghai Circular Views Enterprise Ethics

OW0206024795 Shanghai JIEFANG RIBAO
in Chinese 15 May 95 pp 1, 3

[By reporter Ji Wen (4764 5113)]

[FBIS Translated Text] Recently, the Municipal Commission for Discipline Inspection, Municipal Organization Department, Municipal Supervision Commission, and Municipal Labor Bureau jointly issued a circular "Concerning Some Opinions on Implementing the Regulations Governing Leading Cadres of State-Owned Enterprises To Be Honest and Disciplined As Promulgated by the Central Commission for Discipline Inspection (On Trial Basis)." The "Opinions" include specific regulations concerning how enterprises' leading cadres should act to be honest and disciplined.

The "Opinions" specify: Leading cadres of state-owned enterprises of the non-holding company system, state-owned single-investor companies with limited liability, companies with limited liability established by two or more state-owned enterprises or by two or more state-owned investing subjects, companies with limited liability whose shares are controlled by state-owned assets, and companies with limited liability (not including the three kinds of enterprises that are either partially or wholly foreign-owned) should carry out the regulations requiring leading cadres of state-owned enterprises to be honest and disciplined, as promulgated by the Central Commission for Discipline Inspection at its fifth plenary

session. Leading cadres of public institutions which are not equipped with administrative functions should also apply the "Opinions" for reference. The "Opinions" specify: Leading cadres include secretaries and deputy secretaries of party committees (general party branches and party branches), secretaries of discipline inspection commissions, chairmen, vice chairmen, executive directors, chairmen of boards of supervisors, managers and vice managers (plant directors), chief engineers, chief economists, chief accountants, and leading cadres holding similar posts.

Regarding the ban on accepting rebates, intermediary fees, or gift money and keeping them for one's own, the "Opinions" specify: In the course of their business and management activities, rebates or intermediary fees received by leading cadres should be turned over in full to their units and entered into the account book in accordance with regulations. In the course of their business and management activities, gift money received by leading cadres should be turned over in full to their units.

Regarding the ban on holding concurrent jobs with pay, the "Opinions" specify: Leading cadres should concentrate on their own job. If they are required to hold concurrent jobs because of their work, they should apply to the relevant department of the immediate higher level for approval, in accordance with the power limits of cadre management. Remuneration and subsidies earned by a leading cadre from his concurrent job should be paid by the unit where he works part-time to the unit that sends him; such remuneration and subsidies should not be paid to the person himself. If a leading cadre receives various kinds of remuneration and subsidies from the unit where he works part-time, he should turn them over in full to his own unit. If he really works hard and makes contributions in his part-time job, the relevant department at the next higher level or the investing subject organization can give him appropriate awards in accordance with business and management responsibility, goals, and records in the units where he holds his own and concurrent jobs. The amount of such awards has an annual limit. The awards for leading cadres whose units carry out the annual salary system or the manager income distribution method shall be stipulated by the relevant departments.

Regarding the ban on individuals' engaging in trade or running enterprises, the "Opinions" specify: Leading cadres are not allowed to engage in trade or run enterprises. They are not allowed to personally participate in the business activities of other enterprises or in individual units of industry and commerce. They are not allowed to engage in any activities that will jeopardize the interests of the enterprise where they work. Leading

cadres should avoid getting involved in business activities related to his family members, relatives, and friends. When promoting and purchasing commodities, leading cadres should follow regular routines and procedures. They are not allowed to utilize their power to provide conveniences for their family members, friends, and relatives in a bid to gain personal profits.

Regarding the ban on occupying a larger house in violation of the regulations, the "Opinions" specify: The house standards (including floor space and amount standards) for a leading cadre should be in line with the economic performance of his own enterprise and with the housing standards for the workers and staff members of his own enterprise. Such standards should be examined and approved by the congress of workers and staff members of the enterprise. It is prohibited for leading cadres to use public funds to purchase high-standard houses, such as foreigner-oriented houses, houses to be purchased with remittances from Overseas Chinese, or garden villas. The high-standard houses already purchased and assigned to leading cadres should not be sold to them, in accordance with the regulations governing the sale of public-owned houses. It is prohibited to decorate or build private houses owned by leading cadres with public funds, public articles, or labor paid by the enterprises. Leading cadres should pay for the "second-time decoration" expenses for the "second-time decoration" houses their units purchased and assigned to them.

Regarding the ban on purchasing imported luxury limousines, the "Opinions" specify: Leading cadres should be encouraged to use Chinese-made cars. Enterprises experiencing non-policy related economic losses and in arrears with wages are not allowed to purchase cars. Imported luxury limousines already purchased should be used mainly for foreign-related economic exchanges and receptions. Leading cadres who use public-owned cars for private purposes should pay fees in accordance with the regulations.

The "Opinions" put forward a principle for dealing with practices that violate the "Regulations," as follows: Any practices that violate the existing regulations should be dealt with accordingly. Leading cadres who identify their own wrong practices and make corrections by themselves should be punished leniently. Leading cadres who do not identify their own wrong behaviors and correct them by themselves should be punished severely. If leading cadres can identify their own wrong practices and correct them by themselves and there are no existing regulations governing these practices, they should, as a general rule, not be punished. If the amounts are fairly large or the cases are fairly serious, they should be punished leniently or with reduced terms. If leading cadres cannot identify their own wrong practices and

correct them by themselves, they should be ordered to correct them, and their illegal incomes should be confiscated. They should be punished with party and government discipline in line with the seriousness of the case. If they continue to violate the "Opinions" in the future, they should be punished severely.

Shanghai's Airport Expansion Program

OW0206040195 Beijing XINHUA in English
0318 GMT 2 Jun 95

[FBIS Transcribed Text] Shanghai, June 2 (XINHUA) — Large-scale expansion of Hongqiao Airport, in China's largest economic center, started on Thursday [1 June].

This is the third large-scale expansion program since the 1980's. The cost of construction is put at 260 million yuan, and is to be completed by the end of 1996.

A two-story terminal building for domestic passengers will be increased in size to 46,600 square meters [sq m] from 21,300 sq m, officials said.

In addition, 16 systems, such as central air-conditioning, baggage transfer, flight number displays, telecommunications, and gate directions for planes, will be improved.

The airport is expected to handle 10 million people this year, including 7.5 million domestic passengers, and 85,000 flights.

After the expansion, the airport will boost its handling capacity of 13 million passengers annually, authorities said.

The 28,000-sq m tarmac will be re-surfaced in a bid to improve facilities for newer, larger planes. Preliminary work on a multi-story parking lot and a multi-story warehouse is also being stepped up.

Central-South Region

Guangzhou Promotes Non-Communist Officials

OW0206081095 Beijing XINHUA in English
0800 GMT 2 Jun 95

[FBIS Transcribed Text] Guangzhou, June 2 (XINHUA) — Sixty-one persons who are not Communist Party members now hold high-ranking posts in the municipal government or judicial departments in this capital city of south China's Guangdong Province.

All 12 districts and counties-turned-cities in Guangzhou have promoted people with no party affiliation to leading posts.

This has become a rule in Guangzhou since the Municipal Party Committee drew up a three-year plan for the promotion of non-communist officials in 1989.

Mao Yu'e, a jurist and member of the China Democratic National Construction Association, recently assumed the post of vice-president of the Guangzhou Municipal Intermediate People's court at the approval of the local People's Congress.

The city has worked out a plan for the training of 588 candidates for posts at the county-magistrate level.

Recruiting people who are not Communist Party members for the leading body has changed the structure of leadership and facilitated cooperation with compatriots in Hong Kong, Macao, and Taiwan, according to a local government official.

Guangdong Executes 51 Drug Criminals

HK0206062995 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 16 May 95

[FBIS Translated Excerpt] This morning, the all-level people's courts of 12 cities in our province, including Guangzhou, Shenzhen, and Zhongshan, simultaneously called rallies to openly pronounce judgment on 270 drug-related criminals, and 51 of them whose cases were particularly serious were sentenced to death and executed. [passage omitted]

Apart from the 51 criminals executed, 219 drug-related criminals were sentenced to death with a two year reprieve, to lifelong imprisonment, and to set terms of imprisonment.

It is understood that in those drug-related criminal cases which judgment was passed on today, the amounts of drugs smuggled, sold, and transported were extraordinarily large. A criminal called (Zhong Ding-yi), who came to Guangzhou from Hong Kong between August and September 1992, bought 14 kg of the ice-drug from a drug-trafficker and then sold it earning exorbitant profits. Today, he was sentenced to death and executed in Guangzhou. [passage omitted]

(Ma Yingxiong), a criminal who came from Gansu Province, colluded with two accomplices in trafficking drugs from Yunnan to Guangzhou. They were caught by public security personnel in Guangzhou and the drugs were seized. Today, (Ma Yingxiong), the principal culprit, was sentenced to death.

Guangdong Makes Progress in Anti-Narcotics Drive

HK0206062895 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 19 May 95

[FBIS Translated Text] This morning, at a meeting on reporting the situation of the provincewide unified narcotics-control drive, Deputy Provincial Party Secretary Huang Huahua stressed: Governments at all levels

must have greater resolve in conscientiously deepening the unified narcotics-control drive.

Since Governor Zhu Senlin delivered a radio and televised speech on 26 April on launching a unified narcotics-control drive, an upsurge of anti-narcotics struggle has risen across the province. Statistics showed ever since the launching of the provincewide unified drive, around 1,200 drug-trafficking cases have been cracked; over 3,000 criminals have been arrested; 570 drug-selling points and over 1,900 drug-taking dens have been smashed; and more than 19,000 drug addicts have been sent to rehabilitation centers. Under the vigorous enforcement of the narcotic-control policy, 52 drug traffickers have surrendered themselves to justice and 765 drug addicts have voluntarily gone to public security organs for registration and rehabilitation.

While affirming the initial results achieved, Huang Huahua set three demands on the in-depth launching of the next-phase provincewide unified narcotics-control drive: First, to pay close attention to the fundamental work; second, to focus on key points; and third, to strengthen the leadership.

Huang Huahua said: The fundamental point of the unified narcotics-control drive is to pay close attention to propaganda and education, particularly the work of educating the youth and enhancing the masses' social awareness in voluntarily giving up narcotics.

Huang Huahua stressed repeatedly that leaders at all levels must further understand the current struggle as a big issue concerning the nation's rise or fall and the state's very existence and must concretely guarantee the supply of manpower, finance, and materials for the narcotics-control struggle. Moreover, they must intensify the struggle and deal stronger blows to criminal activities according to law.

Guangdong Approves Airport, Plans More Expansion

HK0206040295 Beijing CHINA DAILY in English 1 Jun 95 p 5

[By Zhang Xingbo and Zheng Caixiong: "Airport Projects Get Clearance"]

[FBIS Transcribed Text] The operation of the Zhuhai International Airport opens a new air traffic era in South China's booming Guangdong Province, where a number of new airports will be built by the turn of the century.

The Zhuhai Airport and those still in the planning stages, including the new Guangzhou International Airport, are designed to ease the high volume of air traffic in the province, Hong Kong and Macao.

As Kai-Tak Airport of Hong Kong and the Guangzhou Baiyun Airport are reaching capacity levels, airports in Zhuhai, Shenzhen and Macao may want to benefit from the region's spillover, according to a local official.

A short distance from the province's major cities, Hong Kong and Macao, the Zhuhai Airport is designed to handle 12 million passengers and 400,000 tons of cargo a year. It has a 4,000-metre-long runway and 277,000 square metres of parking space.

Apart from the demands of other cities, the Zhuhai Special Economic Zone has an urgent demand for sufficient airport facilities, said Zhuhai Mayor Liang Guangda.

In 1994 alone, 24 million people and 5.4 million tons of cargo entered and left the country via Zhuhai, up 2.3 and 40.1 per cent, respectively, over the previous year.

Guangdong Province plans to spend more than 10 billion yuan (\$1.2 billion) on basic airport facilities under a 20-year programme launched in 1990. Officials believe actual spending will exceed the projected figures, which do not take price increases into account.

Guangdong is building several new airports in an apparent attempt to increase its economic links with the rest of the world and other domestic cities.

The biggest project is the Guangzhou New International Airport, which is expected to cost more than 17.5 billion yuan (\$2.11 billion).

The Guangzhou Municipal government has decided to take the lead by establishing a shareholding company to build its new international airport in the suburban city of Huadu, said Chen Kaizhi, Guangzhou's executive vice mayor.

Construction of the airport which will cover an area of 22,000 mu (about 1,500 hectares), will cause more than 11,000 people from 3,500 peasant families in nine villages to move.

Upon completion of its first phase of construction in 2005, the new airport is expected to have an annual capacity of 27 million passengers and 740,000 tons of cargo.

Construction

Heavyweight offshore companies and financial groups from Australia, the United States, Singapore, Britain, Switzerland, the Netherlands and Hong Kong are considering taking part in the project's construction, Chen said.

Chen hopes to attract one-third of the total construction funds from abroad and raise another one-third through

leasing the land of the old Baiyun Airport while the Guangzhou Municipal Government and Civil Aviation Administration of China (CAAC) plan to jointly take responsibility for the final third.

The Shenzhen Airport is also undergoing a 4-billion-yuan (\$482 million) expansion project which includes the construction of two new runways and airport terminals.

It is hoped that completion of the project will enable the airport in China's first special economic zone to double its passenger capacity.

Other projects still in the planning stages include Yuedong Airport in eastern Guangdong's Jieyang City, Zhaoqing Airport in Gaoyao City, and the Yangjiang and Maoming airports in western Guangdong.

Meanwhile, the Zhanjiang and Shantou airports are increasing their capacities to meet the growing demands placed by rapid economic development and increasing numbers of domestic and foreign tourists.

The Guangdong Provincial Government believes foreign investment will play a big part in the construction of these airports, which costs billions of dollars. Most of the airport projects are slated for completion in the early 21st century.

Guangdong Provincial Law Forbids Price Gouging
OW0106140895 Beijing XINHUA in English
1347 GMT 1 Jun 95

[FBIS Transcribed Text] Guangzhou, June 1 (XINHUA) — South China's booming Guangdong Province published a new law against price gouging today.

The law outlaws the following activities:

- Monopolizing the market illegally, manipulating prices and forcing other businessmen or consumers to accept higher prices;

- Price rigging among producers or within business sectors and making profits by raising sales prices or cutting purchase prices;

- Promoting sales or services with misleading prices or information and incurring consumer losses;

- Sales without price tags, or actual purchase prices higher than the tagged prices;

- Cheating consumers with unclear units;

- Selling commodities which are not the same as the priced models and similar cheating activities.

Law violators will be forced by market supervisors to return to consumers illegal gains, on the pain of having all their profits confiscated.

Those who do not correct wrongdoings within the given time will not only have their profits confiscated but will be fined five times the amount of the illegal gains.

Guangxi Province Expands Highway Construction

*OW0206080595 Beijing XINHUA in English
0712 GMT 2 Jun 95*

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — Southwest China's Guangxi Zhuang Autonomous Region has made great efforts during the past eight years to expand its highway network in a move to promote the development of the local economy.

Statistics show that a total of 2,222 km of highways have been constructed, and 184 km upgraded since 1987. Newly built bridges number 29 in the region. These efforts have ended the history of over 40 towns and townships and more than 1,100 villages having no highway access.

Funding for highway building from the Ministry of Communications and the State Development Bank reached 37.12 million yuan. By making full use of the money, Guangxi added 402.5 km of highways and eight bridges.

By the end of 1994 the number of townships having no highway access had fallen to 17 in the region, officials said.

Guangxi To Use 'Transfer Method' for Plant

*OW0206075995 Beijing XINHUA in English
0721 GMT 2 Jun 95*

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — The second-phase construction of a power plant in south China's Guangxi will be carried out in accordance with the 'build, operate, and transfer' method (BOT), today's ECONOMIC DAILY [JINGJI RIBAO] reported.

The national paper said that the State Planning Commission has approved an application filed by the Guangxi Zhuang Autonomous Regional Government for use of the BOT method to carry out the construction of the Laibin Power Plant.

This means that a foreign investor builds a project and operates it for a certain period of time before transferring the ownership or control to the Chinese partner.

Bidding for the second-phase construction of the plant will begin later this year under the auspices of the State Planning Commission. Two 300,000-kilowatt generat-

ing units will be installed during the second phase of the plant's construction.

The commission will single out a number of projects in energy and transportation that will use the BOT method, the paper said.

More Oil Found Around Hainan Island

*OW0206040495 Beijing XINHUA in English
0204 GMT 2 Jun 95*

[FBIS Transcribed Text] Haikou, June 2 (XINHUA) — The drilling of an oil well which produced a natural gas flow has been completed in the South China Sea near Hainan Island, proving the prediction by some experts that there is a gas reserve of at least 40 billion cubic meters [cu m] in the area.

It is estimated that there may be a gas deposit of 13,000 billion cu m and an oil deposit of 1.02 billion metric tons in the South China Sea, most of which is concentrated in the sea around Hainan.

The four ocean basins, Beibu Bay Basin, Yingge Sea Basin, Qiongdongnan Basin and Pearl River Estuary Basin, which are all located near the island, have the largest oil and gas deposits in China's offshore area.

Since the beginning of the 1980s China's offshore oil development departments have been co-operating with French and U.S. oil companies in tapping oil in the four basins.

Several oil and gas wells have already been put into operation. A well to tap the largest gas deposit of 96.8 billion cu m is now under construction in the Qiongdongnan Basin.

As more gas and oil is being found in the area, it is expected that Hainan Province could become one of the country's petrochemical industrial bases.

North Region

Hebei Governor Views Importance of Reemployment

*SK0106144895 Shijiazhuang HEBEI RIBAO
in Chinese 17 May 95 p 1*

[FBIS Translated Text] Governor Ye Liansong delivered a speech at the official meeting sponsored by the governor on the morning of 16 May, in which he stressed: Enforcing the project of reemployment represents an important factor of enterprise reform. In line with the whole situation in reform, development, and stability, leadership at all levels should attach great importance on this work; make overall considerations among reform, development, and job arrangements; and

should exert all-out efforts to firmly and successfully grasp the work. Various circles in the society as a whole should show concern for and support the work.

During the meeting, responsible comrades from the provincial labor affairs department, the provincial commission for restructuring economy, and the provincial economic and trade commission, delivered reports on their opinions of enforcing enterprise bankruptcy; of properly making job arrangements for the staff members and workers of bankrupted enterprises; and of enforcing the project of reemployment. They also described the progress made by the province in 1994 in having enterprises take up the pilot work of bankruptcy and the arrangements made by the province for conducting the pilot work of bankruptcy in 1995.

After hearing the reports, Ye Liansong stressed in his speech: The important factors of enterprise reform this year are to expedite enterprise bankruptcy, to make job arrangements for the staff members and workers of bankrupted enterprises, to transfer the surplus staff members, and to enforce the project of reemployment. As for enterprises that have long suffered losses, had no hopes in switching their losses to profits, and have been unable to repay their due debts, we should bankrupt them in line with the law. This is a way to enliven the remaining assets of enterprises and to enable enterprises to extricate themselves from a difficult position and to seek a new life.

In citing the issue of how to enforce enterprise bankruptcy, Ye Liansong pointed out: Tangshan, which has been assigned by the state as taking up the pilot work of optimizing the capital structure, should actively implement the pilot work in line with the state arrangements and take a greater step in this regard. Various cities under the jurisdiction of the provincial government and large cities should select from three to five enterprises that meet conditions to take up the pilot work of bankruptcy. Small cities should also select from two to three enterprises in this regard. In line with the reorganization of property right circulation, every county and county-level city should pick up their subordinate enterprises to take up the pilot work in this regard.

Ye Liansong pointed out: Currently, the key to expediting the enterprise reform lies in successfully grasping the merger of enterprises; in grasping the mechanism of reducing staffers and increasing efficiency, in integrating social security with the mechanism of reemployment; and in succeeding not only in maintaining the social stability but also in promoting economic development. He demanded: Efforts should be made to uphold the guiding ideology of integrating unemployment relief with the promotion of employment and of regarding the

promotion of employment as a focal point. Enforcing the project of reemployment is aimed at applying the mechanism of promoting reemployment to gradually replacing the negative practice of waiting for relief. As for the staff members and workers of bankrupted enterprises, we should broaden the insurance scale of unemployment by deepening the reform in unemployment insurance so as to deal with the problems encountered by them in life security. However, a fundamental outlet in this regard still lies in adopting every possible means to open the avenues of employment. Therefore, we should put our foothold on realizing reemployment and uphold the three-combination principle of having enterprises make job arrangements; of encouraging individuals to open business; and of having the society give a helping hand to job arrangements. We should bring into full play the enthusiasm of the government, enterprises, laborers, and various social circles in this regard; extensively open the avenues of employment; and should create the new posts of employment. A good job should be done in grasping the coordination and implementation of auxiliary policies. The economic and trade commission should take the lead in being responsible for enterprise bankruptcy and the labor affairs department should take the lead in being responsible for unemployment insurance and for the project of reemployment. These commissions and departments should jointly, with the relevant departments, vigorously formulate auxiliary documents and vigorously draw up some new policies and measures by actively coordinating with the departments of financial affairs, planning, tax affairs, industry and commerce, banking, and urban construction. They should encourage the unemployed staff members and workers as well as the surplus staff members and workers of enterprises to open new business, to broaden their production or business, and to organize them to provide for and help themselves by engaging in production. They should also do a good job in helping these unemployed personnel deal with their problems that have cropped up in the fields of funds, places, tax revenue, and business registration.

Ye Liansong stated: Mass media should extensively publicize the significance and role played by the project of reemployment so as to enable enterprise managers, the broad masses of staff members and workers, and various social circles to upgrade their sense in participating in the project. They should also mobilize various social forces to coordinate with one another and to take joint action in the project. Trade unions, women's federation, the Communist Youth League, and the civil affairs department, should coordinate with the labor affairs department and actively organize or carry out activities that possess their own characteristic so as to promote the overall enforcement of the reemployment project.

Also voicing their opinions at the official meeting were Gou Shichang, vice governor of the province; and Song Shuhua, adviser to the provincial people's government.

Tianjin Issues Regulation on Technology Zone

OW2605171595 Beijing XINHUA in English
1653 GMT 26 May 95

[FBIS Transcribed Text] Tianjin, May 26 (XINHUA) — The Tianjin municipal People's Congress recently passed a regulation concerning the management of the New Technology Development Zone (NTDZ), which was officially published and took effect today.

The regulation covers development goals, the scope of business, standards set for hi-tech enterprises, management structure, assessment and approval, and preferential policies for the enterprises.

Thus far, this largest open coastal city in north China has finished its legislation concerning its three zones, the Economic and Technology Development Zone, the Bonded Zone, and the NTDZ.

The NTDZ is one of China's 52 hi-tech development zones at the state level. It was opened in 1988, with a total area of 21.85 sq km. By the end of last year, there were 1,573 companies in the zone, including 188 overseas-funded ones.

Total turnover in the development zone was 4.1 billion yuan last year, ranking third among China's hi-tech development zones.

According to the regulation, both domestic and overseas companies, organizations, and individuals can invest in the zone. Setting up hi-tech enterprises, or infrastructure construction, including water, gas, electricity, heating, sewage systems, and highways are preferred.

It also stipulates that hi-tech enterprises will be charged a 10 percent income tax and newly established enterprises will be exempted from income taxation for two years. Hi-tech enterprises can also enjoy certain preferential customs policies if they meet certain requirements.

Some provinces and municipalities, such as Shanghai, Jiangsu, Hubei and Heilongjiang have already issued their local regulations prior to Tianjin's action.

Northeast Region

Heilongjiang Issues Court Work Report

SK0106144295 Harbin HEILONGJIANG RIBAO
in Chinese 6 Mar 95 p 3

["Excerpts" of speech given by Tang Xianqiang, president of the provincial higher people's court, on the work of the Heilongjiang Provincial Higher People's Court to

the third session of the eighth Heilongjiang Provincial People's Congress on 25 February]

[FBIS Translated Text] Fellow deputies: I would like to report the provincial court work since the second session of the eighth provincial people's congress to this session for your discussion.

Since the year 1994, under the leadership of the party committees and the people's congresses at all levels and of the Supreme People's Court, the courts at all levels across the province persisted in regarding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance; carried out the resolutions of the second session of the eighth provincial people's congress on the work report of the provincial higher people's court; acted in close connection with the general tasks of the whole party and the whole state of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability"; and comprehensively strengthened various tasks with the administration of justice as the core. After the provincial party committee put forward the overall thinking on economic construction, the courts at all levels across the province acted in line with the demand of the provincial party committee, further emancipated the mind, renewed law-enforcement ideas, readjusted work plans, strengthened guaranteed measures, and actively did a good job in accelerating our province's economic development. In line with the characteristics of the administration of justice, the provincial higher people's court formulated "some opinions on making the provincial court work serve our province's economic development" in an effort to comprehensively standardize the practice of making the provincial court work serve the realization of the strategic goal of quadrupling the gross national product and making people become prosperous. Over the past year, the courts at all levels across the province accepted and heard 287,021 cases and concluded 288,548 cases (including long-standing cases, the same below) up 11.5 percent and 11.8 percent over the previous year respectively. Through judicial activities, we gave stern blows to various criminals; actively regulated economic relation; realistically protected the legitimate rights and interests of citizens, the legal person, and other organizations; and gave better play to the functional roles of guaranteeing reform, promoting development, and safeguarding stability. Over the past year, we mainly grasped the following six tasks:

1. We gave stern blows to serious criminal crimes and strived to create good social environment for promoting economic development. The courts at all levels across the province unswervingly carried out the principle of giving stern and quick blows to crimes in line with the law and dealt firmly with the criminals who

seriously endanger public security. Over the past year, the courts across the province accepted and heard a total of 19,816 criminal cases at the first trial and concluded 19,859 cases, up 20.5 percent and 20.6 percent over the previous year respectively; and passed sentences to 19,728 convicted criminals. In order to cooperate with the concentrated and specific struggle of giving stern blows to crimes, we organized and held 667 meetings to pronounce sentences at the right moment, gave wide publicity to the struggle of giving stern blows to crimes, and expanded the effect of cracking down on crimes. At the same time, in line with the practice of the administration of justice, we conscientiously carried out the decisions of the Standing Committee of the National People's Congress and of the standing committee of the provincial people's congress on strengthening the comprehensive management of public security. Through carrying out the dissemination of legal education, we put forward judicial suggestions for educating, helping, and redeeming the juvenile offenders; cooperated with relevant departments to strengthen regular inspection on the criminals who were given a suspended sentence or put under surveillance; and, in line with the law, reduced penalty or granted a parole to the criminals who really repent and correct their ways, and rendered outstanding service in the reform through labor in an effort to give play to the crime-fighting, educational, and preventive roles of the people's courts in the comprehensive management of public security.

2. We sternly dealt with serious economic crimes, promoted the in-depth development of anticorruption struggle, and safeguarded the normal economic order. The people's courts at all levels across the province acted in line with the "resolute, cautious, and precise" principle; regarded trying major and serious cases as a breakthrough; sternly dealt with the criminals who seriously endangered economic order in line with the law; and accepted and heard a total of 3,589 economic criminal cases at the first trial and concluded 3,605 cases, up 38 percent and 38.9 percent over the previous year respectively. Of the 3,957 convicts whose verdicts were brought to legal effect, those who were sentenced to more than five years' imprisonment or capital punishment totalled 1,123, up 27 percent over the previous year. Of the condemned convicts, 695 were sentenced for gaining illicit income of more than 10,000 yuan, up 56.9 percent, and 16 were cadres at and above the county (section) level. At the same time, we persisted in seeking truth from facts; attached great importance to accuracy; strictly drew a clear line between being guilty and not guilty; and paid attention to protecting the positive factors conducive to reform, opening up, and economic development. Through trials and investigation, a total of 17 people, including those who were

bold in reform but made mistakes in work and those whose offenses did not constitute the crimes of corruption, bribery, and misappropriation of funds, were pronounced not guilty. In line with the law, we gave suspended sentences or exemption of criminal sanction to those who made minor infractions, had good attitude in pleading guilty, actively gave up ill-gotten gains, or made extraordinary contributions in the productive and management posts and scientific and technological work in an effort to give them an opportunity of redeeming themselves by rendering good service.

3. We regulated economic relation in line with the law and promoted the healthy and orderly development of economic construction. The people's courts at all levels across the province actively regulated economic relation in line with the law and participated in economic management. Over the past year, a total of 37,801 economic dispute cases at the first trial were accepted and heard, 37,919 cases were concluded, and the amount of money involved in the concluded cases totalled 3.69 billion yuan, up 2.7 percent, 3.1 percent, and 47.3 percent respectively over the previous year. We actively carried out special service activities for clearing up debts, loans, and tax payment in line with the law; cleared up debts of 2.04 billion yuan for enterprises; cleared up overdue and idle loans for financial departments, and cleared up tax payment of 110 million yuan for the tax organs. At the same time, in the course of trying various cases, the people's courts at all levels across the province actively broadened service channels, established more than 980 economic and judicial liaison men in enterprises, held 530 legal training classes for factory directors and managers, and proposed 2,786 judicial suggestions in an effort to provide legal service for enterprises, prevent the occurrence of disputes, and avoid economic losses.

4. We realistically protected the legitimate rights and interests of citizens, the legal person, and other organizations as well as fully boosted the enthusiasm of the broad masses of people in participating in economic construction. In order to promptly remove contradictions, strengthen the internal unity of people, and promote economic development, the people's courts at all levels across the province paid great attention to handling complaints and placing cases on file for investigation and prosecution, conscientiously handled letter reports and visits from the masses, persisted in making a circuit of various areas to try cases so as to facilitate people to file lawsuits, and promptly and effectively safeguarded the legitimate rights and interests of citizens, the legal person, and other organizations. The people's courts at all levels across the province accepted and heard a total of 152,898 civil cases at the first trial, including the cases on marriage and family disputes,

debts, compensation, mountain forest, water conservation, residential areas, copyright, and defamation, and concluded 152,976 cases, up 14.5 percent and 14.4 percent over the previous year respectively. We accepted and heard a total of 1,602 administrative cases at the first trial, including the cases on public security, lands, public health, urban construction, and family planning, and concluded 1,592 cases, up 46 percent and 46.6 percent over the previous year respectively. At the same time, in the administration of justice, we persisted in making the best use of the opportunity to strengthen the legal education and social ethics education of the persons concerned in an effort to transform negative factors into positive ones.

5. We strengthened supervision and guidance as well as guaranteed serious law enforcement. In order to strengthen the administration of justice and guarantee serious law enforcement, the people's courts at all levels across the province set norms for managing the judicial work, explicitly standardized quality and time-limit demands for various judicial tasks and relevant work on the various aspects of handling cases, strictly carried out supervision and inspection, guaranteed the standardized administration of justice, and prevented and overcame the irregularity of law enforcement. In line with the principle defined in the "system of investigating and affixing responsibility of law-enforcement personnel who wrongly handle cases (trial use)" formulated by the provincial court, the people's courts at all levels across the province prevalently formulated the details for carrying out the system of investigating and affixing responsibility of law-enforcement personnel who wrongly handle cases, unceasingly perfected coordinated measures, and relentlessly grasped the implementation of this system. In order to strengthen the impetus of carrying out a general inspection on the law and discipline enforcement, on the basis of carrying out self-investigation and spot checks in various intermediate and grass-roots courts, the provincial court organized inspection groups to carry out inspection and appraisal on the provincial court, 19 intermediate courts, and 38 grass-roots courts and to visit the party committees and the people's congresses at all levels and relevant departments for soliciting their opinions and suggestions on the courts' law and discipline enforcement. Through conscientious inspection and rectification, some prominent issues emerging in the administration of justice were fairly resolved. Under the circumstance that there were more and more new situations and issues emerging in the administration of justice, the provincial court promptly put forward guiding opinions for drawing a clear line between being guilty and not guilty in the economic field and handling the issues demanding prompt answer and solution in the civil and economic trials, in

order to correctly apply the law on the basis of summarizing the experiences of various courts. Owing to the adoption of the above-mentioned measures, quality and efficiency of handling cases were further enhanced, the concluded cases in 1994 increased by 30,548 over the year 1993, and the rate of changing the original sentences of the cases at the second trial and sending them back to the original responsible courts for retrial dropped 2.6 percentage points over the previous year.

6. We strengthened the contingent construction and guaranteed the accomplishment of various tasks for serving economic construction. In order to meet the demand of new situation and tasks, specifically on the issues involving the ideology and discipline of cadres and policemen, the people's courts at all levels across the province deeply carried out anticorruption struggle and concentrated educational rectification; conscientiously investigated and rectified the law-enforcement personnel with blunt ideals and convictions, slack discipline, dilatory work style, and weak sense of responsibility; conscientiously handled the cases of establishing relationship with law-enforcement personnel and the cases of establishing underhanded connections for the sake of personal gains; and seriously investigated and handled law- and discipline-breaking cases. In view of the issue involved with cadres and policemen, whose vocational quality cannot adapt to their arduous tasks, in the course of continuously persisting in regarding part-time legal university as the core and simultaneously grasping regular education, in line with the newly promulgated laws and regulations as well as the knotty problems emerging in the administration of justice, we held 117 short-term training classes, trained 3,210 cadres and policemen, carried out job training activities, and strengthened job techniques. In the light of the corrupt practices of the "iron rice bowl" and the "big rice bowl" existing in the cadre management system, the provincial court formulated the "opinions on reforming the system of managing the cadres of the court departments across the province for the trial use" and actively explored the way for reforming the cadre management system in the aspects of carrying out the post target responsibility system among cadres and policemen, carrying out the tenure target responsibility system among the leading cadres, carrying out the system of "integrating the masses' recommendation with evaluation and examination" in promoting cadres to a higher office and rank, carrying out the probation system among the personnel to be appointed to leading posts, and giving public notice of entrance examination in augmenting personnel. In addition, the provincial court also gradually established the competitive mechanism of accepting a higher or a lower post and as well as selecting the excellent and eliminating the inferior ones. At the same time, in order

to give full play to the exemplary, inspiring, and leading role of the advanced typical examples, on the basis of continuously participating in the activities of striving to be the civilized units organized by the party committees and governments at all levels, the people's courts at all levels across the province carried out the activities of striving to be the advanced collectives as well as the excellent leading cadres, judges, cadres and policemen, and clerks in an effort to make the courts across the province initially form the incentive mechanism of awarding the diligent and punishing the lazy ones. For the time being, of the courts across the province, 197 have been conferred the title of civilized units by the party committee and government in the locality or at the higher level, accounting for 98 percent of the total. The provincial court is conferred with the title of the advanced pacesetter in the construction of the civilized units.

In 1994, the provincial court made noticeable achievements in the judicial work and self improvement as well as advanced with big strides in other tasks. But, quite a few gaps and problems still exist. They are mainly shown in the following aspects: 1) Some court leaders and cadres and policemen failed to profoundly recognize the new situation and problems emerging in the administration of justice which were caused by the development and change of circumstances; failed to have the strong consciousness of serving reform, opening up, and economic construction; failed to carry out measures in places where needed; and failed to attain good results in the judicial work. 2) The situation of failures to strictly enforce the law existed in various degrees. Few cases were unjustly tried owing to the influence of the local and departmental protectionism; in handling some cases, the laws, specially the procedure law, were not strictly carried out; and the time limit for trying a large number of cases was too long. 3) The vocational quality of cadres and policemen could not meet the demand of the new situation and tasks, so that the quality and efficiency of handling cases were affected. Few cadres and policemen failed to straighten out their ideology and work style and took stiff and rude attitude towards the masses. The individual cadre and policeman used cases to seek personal gains, violated the law and discipline, and seriously injured the image of the people's courts. For this, we should adopt effective measures to conscientiously resolve these gaps and problems.

Fellow deputies, the party Central Committee has defined that during the year 1995, the entire party and entire state should continuously grasp the general tasks of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability"; further handle the relationship between

reform, development, and stability; accelerate the establishment of the socialist market economic system; and realize the sustained, rapid, and healthy development of the national economy and the overall progress of the society. In line with the reality of our province, the third enlarged plenary session of the seventh provincial party committee put forward the overall thinking on economic development. The guidelines of the overall thinking are that we should never slacken our efforts in the "first battlefield" for economic development, such as agriculture and the state-owned enterprise. At the same time, we should also actively open up the "second battlefield" for economic development, devote great efforts to cultivating the new economic growing points, and realize the strategic goal of quadrupling the gross national product and making people become prosperous. Under this new situation, the tasks of the people's courts become more arduous, and the party and people also put forward higher demands for the court work. Therefore, the people's courts at all levels across the province should persist in regarding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as well as the guidelines of the 14th National Party Congress and of the third and fourth plenary sessions of the 14th CPC Central Committee as the guidance; act in line with the demand of the provincial party committee; comprehensively strengthen various judicial tasks; realistically grasp the reform and self-improvement of courts; persist in seriously enforcing the law; unceasingly enhance the level of enforcing the law; strive to push various tasks to a higher level; and provide effective legal service and judicial guarantee for accelerating the establishment of the socialist market economic system, promoting economic development, and realizing the strategic goal of quadrupling the gross national product and making people become prosperous. In order to realize the above-mentioned work objectives, we should pay attention to the following three tasks:

A. We should further deepen the guiding ideology of serving economic construction and realistically bring the court work into the overall situation of realizing the strategic goal of quadrupling the gross national product and making people become prosperous. The people's courts at all levels across the province should use the guidelines of the third enlarged plenary session of the seventh provincial party committee to unify the ideology of the entire cadres and policemen; creatively carry out the court work with high degree of political responsibility, urgency, and sense of mission; strive to provide excellent service for accelerating our province's economic development; further emancipate the mind; realistically overcome the out-of-date ideas of handling cases in an isolated way and handling a case as it stands; and establish the law-enforcement ideas of serving the

party's central tasks as well as protecting fair competition and the criterion of "three advantages" in an effort to integrate judicial work with the overall thinking on economic development. We should proceed from increasing the actual results of serving economic construction; properly handle the relationship between giving stern blows to crimes and protecting fair competition and the criterion of "three advantages;" and pay simultaneous attention to resolutely cracking down on various crimes and protecting the positive factors conducive to reform, opening up, and economic development. We should properly handle the relationship between law enforcement and policy implementation, not only persist in regarding the law as the criterion but also give full play to the guiding role of policies, and accurately apply the law under the guidance of policies. We should properly handle the relationship between being strict in law enforcement and being good at law enforcement, not only persist in strictly handling cases in line with the law but also persist in seeking truth from facts; and strive for the best law-enforcement results. We should properly handle the relationship between natural service and conscious service, not only exert efforts to quickly and successfully handle cases but also unceasingly broaden service channels, and take the initiative in eliminating misgivings and difficulties for enterprises.

B. We should comprehensively strengthen the administration of justice, make breakthroughs in key points, and add impetus to serving the strategic goal of quadrupling the gross national product and making people become prosperous. The courts at all levels across the province should closely center on the party's central tasks; further and comprehensively strengthen various judicial tasks; and give full play to their functions and roles in cracking down on crimes, protecting people, serving for modernizations, and promoting the healthy and orderly development of economic construction. The courts at all levels should proceed from promoting economic development and creating stable social environment; make unrelenting effort to give stern and quick blows to murderers, robbers, rapists, and bandits; pay attention to cracking down on the vicious hoodlums who endanger social stability and act as tyrants in villages as well as the criminal gangs with underground characteristics; always launch an all-out offensive against various criminal activities; and further carry out various measures for the comprehensive management of public security in line with the administration of justice.

We should proceed from guaranteeing the healthy development of the market economy as well as continue to severely punish the criminals who seriously endanger economic order, such as the criminals who take bribes and distort the law, misappropriate public funds, de-

fraud people of their money and belongings, smuggle goods, evade and resist tax payment, or manufacture and sell fake and inferior products. We should accurately and precisely draw a clear line between being guilty and not guilty as well as realistically protect the legitimate rights and interests of reformers and normal economic activities. We should proceed from promoting the cultivation and development of the new economic growing points as well as continuously do a good job in serving the state-owned large and medium-sized enterprises and rural economic development and in guaranteeing the implementation of the state's macroeconomic regulation and control. At the same time, we should properly handle various cases involved with the reform of enterprises, secondary and in-depth exploitations of resources, the neighborhood economy, the tertiary industry, the privately owned scientific and technological enterprises, the individually owned economy, and three types of foreign-funded enterprises in an effort to safeguard the equal legal status of various economic main bodies and promote fair competition. We should proceed from creating advantageous conditions for the development of enterprises, conscientiously do a good job in mediating and handling various economic disputes, and strive to protect the normal progress of enterprises' production, supply, and marketing. For the enterprises that are in dangerous and difficult situations and the new economic growing points at an initial stage and in a fairly weak foundation, we should help them get rid of difficult situations and recover vitality by using the method of "providing water for raising the fish." We should proceed from eliminating misgivings and difficulties for enterprises; further carry out special service activities for clearing up debts in line with the law; and assist enterprises to invigorate funds, rationalize the contract relation, go into production and management in line with the law, and safeguard their legitimate rights and interests.

C. We should strengthen the measures for guaranteeing serious law enforcement as well as carry out the task of serving the strategic goal of quadrupling the gross national product and making people become prosperous in places where needed. The courts at all levels across the province should act in line with the local reality, conscientiously formulate the planning for serving the goal of accelerating our province's economic development, and share work in line with their individual responsibility. We should establish and perfect the standardized management system for the administration of justice, actively explore the way for reforming the judicial work, conscientiously carry out the system of investigating and affixing the responsibility of law enforcement personnel who wrongly handle cases, straighten out the judicial order, resolutely boycott and oppose the interference

of local and departmental protectionism, guarantee serious law enforcement, and unceasingly raise quality, efficiency, and social effect of handling cases. We should strengthen supervision and guidance; act in close connection with the goal of accelerating economic development; act in accordance with the new situations and issues emerging in the administration of justice caused by the implementation of the newly promulgated laws and regulations as well as the new and higher demands put forward by the party and people; deeply carry out investigation and study; and promptly put forward guiding opinions. We should strive to enhance political and professional quality of cadres and policemen; devote great efforts to strengthening the contingent construction; act in line with the reality of courts; deeply carry out the activities of "learning from Donglai, laying a solid foundation, establishing a good image, and striving to be the best"; highly commend the advanced unit; encourage healthy trends; and strive to establish the good image that the people's courts, tribunals, and judges are the most reasonable, impartial, and honest ones. We should conscientiously organize the cadres of courts to study the "Selected Works of Deng Xiaoping"; arm the mind of the entire cadres and policemen with the theory of building socialism with Chinese characteristics; do a good job in vocational training; and enhance the po-

litical and vocational quality of cadres and policemen. We should resolutely carry out the "three bans" restated by central authorities and the provincial party committee of absolutely prohibiting the public security cadres and policemen from accepting food, drink, money, and goods from the persons concerned in cases; from adopting a cold, stiff, rude, and dilatory attitude toward the masses who file suits and appeal for help; and from beating and swearing at people, extorting a confession by torture, and committing acts of violating the law and discipline. We should realistically strengthen discipline, rectify work style, and pay attention to the building of clean politics. We should further deepen the reform of the contingent management system, establish and perfect the mechanism of competition and encouragement, strengthen the construction of grass-roots party organizations, and use the construction of grass-roots party organizations to bring along the construction of the court contingent. In the course of grasping the self-perfection and self-improvement of the leading cadres in terms of politics, ideology, vocational work, and work style, we should conscientiously carry out the principle of democratic centralism, actively train and select the excellent and young leading cadres, and realistically strengthen the construction of leading bodies.

Report Views ARATS-SEF Talks in Taiwan

OW0106145195 *Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 30 May 95*

[From the "News and Current Events" program]

[FBIS Translated Excerpt] Listener friends, the first preparatory meeting for the second Wang-Gu [Ku] talks by the Association for Relations Across the Taiwan Straits [ARATS] and the Straits Exchange Foundation [SEF] of Taiwan ended smoothly in Taipei [Taipei] on 29 May. This station's reporter Du Changhua accompanied the ARATS personnel to Taipei to cover the consultations. The following are station reporters Zhao Yuhong's and Du Changhua's recollections of the consultation meeting:

[Begin recording] [Zhao Yuhong] Listeners, how are you? I am reporter Zhao Yuhong. At my side is reporter, Mr. Du Changhua, who took part in reporting the first preparatory meeting for the second Wang-Gu talks.

[Du Changhua]: Listeners, how are you? I am Du Changhua.

[Zhao] I think the preparatory consultations have been quite fruitful.

[Du] The consultations were held to make arrangements for the second Wang-Gu talks. The task of arranging the second Wang-Gu talks was fulfilled in the two-day meeting. [passage omitted]

[Zhao] Would you tell us about the eight items on the agenda of the second Wang-Gu meeting agreed upon at the consultation meeting?

[Du] The first item is reviewing the implementation of the agreements reached at the first Wang-Gu talks, strengthening the ties between ARATS and the SEF, and enhancing their consultation functions. First of all, the two sides should conduct consultations on the handling of maritime fishery disputes between the two sides of the Taiwan Strait. Both sides will strive to reach agreement on this matter as early as possible. [passage omitted] The second item on the agenda is discussing an agreement about protecting Taiwan investors' rights and interests. The third topic for discussion also concerns economic exchanges between the two sides of the strait — making preparations for holding a meeting on cross-strait nongovernmental economic exchanges and holding regular meetings to discuss economic and trade disputes as well as cross-strait protection of intellectual property rights. The fourth topic for discussion is issues about cross-strait cultural, educational, and journalistic exchanges. The fifth item is issues about cross-strait exchanges in agricultural areas. The sixth item is about cross-strait scientific and technological exchanges. The

seventh item is about cross-strait travel exchanges. The eighth item is about other major issues concerning cross-strait exchanges.

[Zhao] These eight topics for discussion concern the fundamental interests of compatriots on both sides of the strait.

[Du] Right, a characteristic of the eight topics for discussions is that they almost cover all the current issues concerning cross-strait exchanges. [passage omitted]

[Zhao] Could you tell the audience a little bit about the eighth item on the agenda — the other major issues concerning cross-strait exchanges?

[Du] During the preparatory meeting in Taipei, this question was asked by many reporters. Obviously, this question has been left open by ARATS and the SEF. There are many issues about which the two organizations are concerned. Before the second Wang-Gu meeting is held, issues of special interest to the two organizations may be included as other issues of the eighth item on the agenda. [passage omitted]

[Zhao] Could you briefly tell the audience about your impressions of the preparatory meeting in Taipei?

[Du] Yes, the most prominent point of my impressions is that the atmosphere at the consultation meeting was fairly good. During the meeting, both sides were sincere and frank. Before the consultation meeting was held, there were political differences between the two sides, but during the meeting, both ARATS and the SEF took part in discussing routine affairs as nongovernmental organizations without bringing political differences to the meeting. This is why the meeting concluded smoothly. [passage omitted]

[Zhao] I understand two more preparatory meetings for the second Wang-Gu talks will be held, one in Taipei and another in Beijing. Could you tell us something about this?

[Du] The second preparatory meeting for the Wang-Gu rendez-vous will be held 27 June-1 July in Taipei. At the Beijing airport yesterday, Mr. Tang Shubei talked about this round of consultations, saying more substantial discussions on the agenda for the Wang-Gu meeting will be carried out at the second consultation meeting. The second round of preparatory meetings will also prepare draft documents to be signed by Wang Daohan and Gu Zhenfu [Ku Chen-fu]. The third consultation meeting will be held to discuss some other technical details before the second Wang-Gu meeting. [passage omitted]

Commentary Warns Against Li Teng-hui's U.S. Visit

OW0106145595 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 31 May 95

[Commentary by station editor (Huang Keren): "A Word to the Taiwan Authorities"; from the "News and Current Events" program; first graf is Central People's Radio introduction]

[FBIS Translated Text] On 22 May, the U.S. Government made an announcement on agreeing to the so-called private visit to the United States by Li Teng-hui. A commentary by our station editor (Huang Keren) on the event, entitled, "A Word to the Taiwan Authorities," follows:

To promote two China's or one China and one Taiwan in the international community, the Taiwan authorities in recent years have spared no effort to practice vacation diplomacy and transit passenger diplomacy. They are indeed racking their brains. Recently, the Taiwan authorities have tried every possible means, urging the United States to permit Li Teng-hui to pay a so-called private visit. This is another act of the Taiwan authorities that is in violation of the one China policy. Li Teng-hui openly says that the most important purpose of his visit to the United States is to show the Republic of China's existence. Such a statement clearly demonstrates his actual intention in visiting the United States.

In fact, Li Teng-hui has long had such an intention. He once unequivocally said that the United States is the country that he wants to visit the most; and that if he is permitted to visit, he will not be too particular about the name and form in which he visits. His attempt to visit the United States is for the purpose of killing two birds with one stone. On the one hand, he wants to take advantage of American public opinion to expand his personal political influence and build up a momentum for creating two China's or one China and one Taiwan; and on the other hand, he wants to use his visit to obstruct the development of Sino-U.S. relations, and to widen and take advantage of the rift between China and the United States.

I would like to offer some advice to the Taiwan authorities and to Li Teng-hui. Such an act is politically short-sighted, and it will not yield any substantive benefits for Taiwan. On the contrary, Taiwan could pay a dear political price for it.

First, in the past, the Taiwan issue was crucial in the normalization of diplomatic relations between China and

the United States, and it remains a major issue of principle today affecting Sino-U.S. relations. The U.S. Government, going back on its promise on maintaining only cultural, trade, and other non-governmental relations with Taiwan, has given its permission for Li Teng-hui's visit. Such permission will surely have serious consequences on Sino-U.S. relations. Any retrogression or deterioration of Sino-U.S. relations will of course, threaten the stability and peace in the Asia-Pacific region and in the world, and Taiwan will be the first to suffer. For this reason, it is very wrong and harmful for the Taiwan authorities to take pleasure in the retrogression or deterioration of Sino-U.S. relations.

Second, stability and good relationship between the two sides across the Taiwan Strait are an important guarantee for Taiwan's social stability and economic development. If the gradually improving cross-Strait relations are undermined again, it will surely cause strong dissatisfaction and opposition among the people on both sides. Besides, it will make the people in Taiwan lose confidence in Taiwan's future, causing uneasiness among the people, or even intensifying social contradictions, creating intense social disturbances and conflicts, and bringing serious calamities to Taiwan.

Third, the United States permits Li Teng-hui to visit, not because it likes the Taiwan authorities or Li, but because of its political purpose of sabotaging the relations between the two sides across the Strait and obstructing China's reunification. For many years, the United States have deliberately stirred Taiwan's separation idea, both openly and secretly, in an attempt to turn Taiwan into its unsinkable aircraft carrier. There are also some people in Taiwan who are plotting to separate Taiwan from China and turn it into the 51st state of the United States. The Taiwan authorities' attempt to create two China's or one China and one Taiwan precisely meets such a political need of the United States, and this is very dangerous.

I would like to advise the Taiwan authorities and Li Teng-hui to keep the rudimentary vigilance so as not to fall into the trap set by others. Many facts of both ancient and present times in both China and foreign countries show that it is unreliable [kao bu zhu di] to disregard the righteous cause of the nation and attempt to use foreigners as a backer. The Taiwan authorities and Mr. Li Teng-hui should take warning from this and not to follow the same old disastrous road.

Further Reportage on Li's Upcoming U.S. Visit**Office Announces Itinerary**

OW0206025195 Taipei CNA in English
0138 GMT 2 Jun 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 1 (CNA) — The itinerary for President Li Teng-hui's visit to the United States has been set, with Li and his wife scheduled to spend a night in Los Angeles on June 8, followed by three days at Cornell University, in Ithaca, New York, and another night in Anchorage, Alaska before their return to Taiwan, the Presidential Office said Thursday [1 June].

It said Li will present the Spencer T. and Ann W. Olin Lecture at the Cornell University Alumni reunion scheduled June 9, then attend a formal reception and dinner given in his honor and hosted by Cornell University President Frank H.T. Rhodes the same day.

The Ministry of Foreign Affairs also released details of Li's visit. It said the president's chartered flight, a China Airlines Boeing 747-400, will fly from Los Angeles to either New York's Syracuse or Buffalo Airport, from which Li will be driven to Ithaca, according to Liu Chih-kung, deputy director of the ministry's Department of North American Affairs.

Liu said Li would stop in Anchorage to get a "good sleep."

Liu would not say whether Li will meet with overseas Chinese representatives in Los Angeles, meet the press at Cornell, or meet with members of the U.S. Congress.

Li's entourage will include Presidential Office Secretary-General Wu Poh-hsiung, National Security Council Secretary-General Ting Mao-shih and his wife, Government Information Office Director-General Jason Hu, Vice Foreign Affairs Minister Stephen Chen, and Chen Pao-chi, chairman of Taiwan's Cornell University Alumni Club, Liu said.

President Li and his wife will travel to the U.S. carrying a "laissez passer" travel document issued by the Consular Affairs Department of the Foreign Affairs Ministry. The laissez passer is issued only to the president and vice president and their spouses.

The American Institute in Taiwan (AIT), which represents U.S. interests in Taiwan in the absence of formal diplomatic ties between the two countries, has issued B2 traveler's visas to Li and his entourage for their historic visit.

The U.S. State Department last Monday decided to reverse a 16-year-old U.S. policy toward Taiwan

by allowing President Li to make a private visit to the United States to participate in alumni activities at Cornell University.

State Department Spokesman Nicholas Burns said the Clinton administration had debated the issue during the past couple of weeks, reviewing all factors surrounding the visit. Administration officials were then able to assure themselves that the trip would be purely a "private visit," and therefore would not be contrary to U.S. commitments to unofficial relations with Taiwan, he added.

Another factor, according to Burns, was that President Li, a distinguished alumnus of Cornell, has been credited with having pursued economic and political reform policies that have benefited the people of Taiwan.

Meanwhile, Cornell President Rhodes praised the Clinton administration's decision to agree to the visit.

Rhodes said Cornell has long had personal and institutional ties with President Li, who received his Ph.D. in agricultural economics from the university in 1968. His doctoral dissertation was cited by the American Association of Agricultural Economics as the best doctoral dissertation that year, and his research provided the rationale for investment in the agricultural sector during the early years of Taiwan's economic expansion, Rhodes said.

"President Li has achieved international distinction as both a scholar and a political leader. His leadership as president of the Republic of China [ROC] on Taiwan has significantly advanced democratization, and has been an inspiration for people in developing nations throughout the world," he added.

No Need To 'Overreact'

OW0206105495 Taipei CNA in English
0935 GMT 2 Jun 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Mainland Chinese authorities need not overreact to president Li Teng-hui's forthcoming private visit to the United States because it is a "usual and natural" matter, ROC [Republic of China] Government spokesman Jason Hu said Friday upon his return from a three-continent publicity tour.

"Beijing's excessive, irrational reactions will do no good to any party, and Li's US visit will only lead to benign interaction between the two sides of Taiwan Strait," Hu told the local press at Chiang Kai-shek International Airport.

Hu left Taipei in mid-May for an international publicity tour, which took him to Australia, Britain, the Czech Republic and the United States to drum up support for the Republic of China's bid to join the United Nations.

Hu said he found the international community has paid much attention to President Li's visit to his alma mater, Cornell University, in Ithaca, New York. Generally speaking, Hu said, the entire US has a positive attitude about Li's visit.

As Taiwan has come of age democratically and created a dynamic free economy, Hu said, the world should not continue to give the ROC the cold-shoulder. "The US approval of our president's visit demonstrates that the world has gradually come to understand our value and decided to treat us with respect and dignity."

Maintaining good substantive ties with the US is very important to Taiwan, Hu said, adding the ROC should not be held responsible for worsening of Washington-Beijing relations due to Beijing's irrational reaction to Li's US visit.

On the ROC's UN membership, Hu said he found there are many potential supporters for the bid in the world. "This indicates that our demand for a seat in the UN is reasonable and justifiable," he noted. "We should intensify our publicity efforts to let more foreign opinion leaders, politicians and ordinary people understand our cause and stance to realize our goal," he added.

"More important," Hu said, "we should let mainland leaders understand that our presence in the UN and other international organizations will be a plus, not a disadvantage, to relations between the two sides of the Taiwan Strait."

ICBM Testing 'No Impact' on Taiwan

OW0206062795 Taipei CHUNG-KUO SHIH-PAO
in Chinese 1 Jun 95 p 4

[FBIS Translated Text] A high-ranking military officer, speaking on condition of anonymity, said: Mainland China's test-firing the intercontinental ballistic missile [ICBM] "Tung Feng [Dongfeng] 31" has no impact on Taiwan; however, the international community is very concerned about this event. Japan and the Western countries, including the U.S. and the United Kingdom, will pay considerable attention to Mainland China's development of new types of missiles.

This high-ranking officer said that Mainland China's "M-class missiles" are a threat to Taiwan. This type of missile can directly attack the battlefield. In contrast, ICBMs are nuclear deterrent weapons, whose impact is on the political and economic sphere, outside the battlefield. The officer held that the U.S. should be

Mainland China's "strategic enemy" in its development of new nuclear weapons.

Another military specialist pointed out that although Mainland China possesses the three key strategic nuclear weapons — strategic bombers for firing nuclear weapons, base-launched strategic missiles, and submarine-launched strategic missiles — it lags far behind the U.S. and Russia in nuclear weapons. He held that Mainland China's purpose in developing new types of strategic missiles, such as "Tung Feng 31," is to make it known to major foreign nuclear superpowers that Mainland China possesses powerful nuclear arms and is able to strike back when under nuclear attack.

Li Reviews 3d Military Exercise in Two Weeks

OW0206043495 Taipei CNA in English
0110 GMT 2 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taichung, June 1 (CNA) — The military on Thursday held its third military exercise in two weeks, with President Li Teng-hui again on hand to inspect the troops.

The exercise, codenamed "Kun Lun No. 2", involved two army divisions, two armored brigades, and armed forces special airborne units.

Li was in the briefing room before the maneuvers began at 9:30 AM at the central port of Taichung. The first part of the exercise featured anti-landing exercises, while in the second part, a mock enemy, in the form of a fleet of helicopters, landed in the port area, and immediately met with resistance from troops and tanks.

Accompanied by National Defense Minister Chiang Chung-ling, Chief of the General Staff Admiral Liu Ho-chien, and the commanders-in-chief of the three branches of the armed forces, Li thoroughly reviewed the war games, which lasted until 11:15 AM.

Li, as the supreme commander of the armed forces, said he was content with the performance of the troops. "After viewing the exercise, my confidence in the military's crisis-handling ability has been further strengthened," Li said in a brief speech after the maneuvers.

Li also spoke of the reason behind the increase in military maneuvers. "Despite the mounting civilian exchanges between Taiwan and Mainland China, as well as the eased tensions across the Taiwan strait, the Chinese Communists have continued to hike their military spending," Li pointed out.

"As we know," Li added, "Beijing has no plans to renounce the use of force against Taiwan. In addition

to their efforts to suppress us in the international community, the Chinese Communists have conducted a number of landing exercises recently. All this has posed a great threat to Taiwan."

Li reviewed two separate military exercises on May 25 and May 30, which were aimed to test the ROC troops' capability to cope with Beijing's invasion tactics of "a sea of troops and a sea of boats."

As in his speeches after the two previous exercises, Li emphasized that "there might be no war for a hundred years, but we must not, for a single day, be without combat readiness."

Fishing Boat Seized, Looted by Mainland Vessels

OW0206013495 Taipei CNA in English
0103 GMT 2 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 1 (CNA) — A Taiwan fishing boat was released after being seized and looted by the crew of two mainland fishing vessels some 17 nautical miles off the coast of Tamsui, northern Taiwan, early Thursday morning.

The skipper of the Tsai Shun Hsing No. 2, a 50-ton boat based in Hsinchu, told marine police by radio that his ship was rammed from behind by two mainland iron-hulled boats at 4:26 A.M., then boarded by crewmembers from the two boats and robbed of NT\$ [new Taiwan dollars] 200,000 (U.S.\$7,813) worth of fish and NT\$12,900 in cash.

He said severe damage was done to the boat, but did not say whether any of his five crewmen were injured during the incident.

The boat was due to return to Hsinchu Thursday night.

A fishermen's radio station in Hsinchu picked up the SOS signal sent by the Tsai Shun Hsing the moment the incident occurred, but a maritime police boat sent to the scene could not find the injured vessel, police said.

Fishing disputes are among the issues Taiwan and Mainland China have been discussing over their past seven rounds of semi-official negotiations, but no agreements on the matter have been reached.

Philippines Refuse Entry to 'Fleet of Friendship'

OW0206111395 Taipei CNA in English
0922 GMT 2 Jun 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — The Philippine Government recently denied entry to a

Republic of China [ROC] armada, dubbed the "Fleet of Friendship," military sources said Friday.

This was the first time a foreign country has rejected a port call by an ROC "Fleet of Friendship" since 1967, when Taiwan started sending the armada overseas to provide hands-on training for its naval cadets.

"The incident might be fallout from recent international disputes over the sovereignty of the Spratly Islands," military observers said.

The ROC Naval Academy has sent an armada abroad each year to let graduating cadets practice combat skills and tactics, and to enrich their navigational experience. In recent years, the armada has sailed as far as the Middle East and South Africa.

This year's fleet of friendship was set to visit the Philippines, Indonesia and Singapore, none of which maintain diplomatic ties with the ROC.

The fleet, composed of two destroyers and a transport ship, started its two-month overseas voyage on May 7 following a round-the-island navigation.

On its way to the Philippines, the armada was informed that Philippine authorities had turned down its request to make a stopover at any Philippine port.

The fleet then changed its course and sailed directly to Indonesia. After a brief stay at an Indonesian military port in Surabaya for refueling and food purchases, the armada is now on its way to Singapore, according to military sources.

Mainland China's move to set up structures on a Spratly islet near the Philippines sparked rows between the two countries in recent months. Against this background, local observers said, Manila was unwilling to admit an ROC armada.

The Spratlys are a collection of some 60 reefs, small islands and atolls in the South China Sea, which are claimed in whole or in part by Mainland China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.

Rules for Mainland Reporters Eased

OW0206082795 Taipei TZU-LI WAN-PAO in Chinese
31 May 95 p 3

[FBIS Translated Text] Chang Liang-jen, chief of the Mainland Affairs Council's [MAC] Cultural and Educational Section, said this morning that the government has decided to relax restrictions on Mainland Chinese journalists who apply for news coverage in Taiwan and to simplify the application procedures, so as to expedite examination and approval of such applications.

Chang Liang-jen said: Thanks to our government's efforts, media exchanges are included in the agenda of the second Ku-Wang talks. One of our purposes in simplifying the application procedures is to show our government's sincerity not to limit cross-strait exchanges in the field of journalism. Therefore, we expect a response demonstrating goodwill from the mainland side.

Chang Liang-jen added: Our government will soon abolish the rules that Mainland Chinese journalists must file their applications for news coverage in Taiwan through local media organizations. Meanwhile, the time for examining and approving mainland Chinese journalists' applications for news coverage in Taiwan for a short time will be shortened to two to three days from one month.

Taiwan, Hanoi Expected To Sign Taxation Accord

OW0206101495 Taipei CNA in English
0905 GMT 2 Jun 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Taiwan and Vietnam are expected to sign an agreement soon in order to avoid double taxation, an official at the Republic of China [ROC] Finance Ministry's Taxation Department said Friday.

The agreement will be signed immediately after both sides complete necessary legal procedures, the official added.

At the end of February, Taiwan had invested in 200 projects worth US\$2.018 billion in Vietnam, making it the leading investor in the Indochinese country, according to statistics released by the Taipei Economic and Cultural Office in Vietnam.

Taiwan has also signed agreements to avoid double taxation with Singapore, South Africa, Paraguay, Indonesia and Malaysia, the official said.

Taiwan Promises Import of 1,000 Mexican Cars

OW0206050195 Taipei CNA in English
0147 GMT 2 Jun 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, June 1 (CNA) — Taiwan and Mexico have concluded bilateral tariff-reduction negotiations, with Taiwan promising to allow the import of 1,000 Mexican cars in an effort to reach a formal agreement with Mexico on Taiwan's membership in the World Trade Organization, Ministry of Economic Affairs officials said on Thursday.

Board of Foreign Trade Director General Lin Yi-fu, leading an 11-member delegation, arrived in Geneva on Saturday to conduct bilateral negotiations with eight WTO members on Taiwan's bid to join the organization.

In addition to exchanging opinions on their agricultural quarantine systems, Taiwanese and Mexican delegates also discussed how extensive Taiwan tariff reductions on Mexican orange juice, shrimp, cigars, and some industrial products should be, according to the officials.

The officials said the Taiwan side agreed to lower duties on Mexican sunflower seeds and sunflower oil but claimed there was no room to further reduce tariffs on Mexican cement and chemical products. The Taiwan side also agreed to lower tariffs on leather jackets and glasswork and to further negotiate with Mexico on a list of other products, the officials noted.

Foreign Currency Deposits Decrease in Apr

OW0206111895 Taipei CNA in English
0915 GMT 2 Jun 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Foreign currency deposits in Taiwan's financial institutions fell to NT [new Taiwan] \$159.3 billion (US\$6.22 billion) in April, down NT\$898 million (US\$35 million) from March, Central Bank of China (CBC) tallies showed Friday.

Foreign currency and foreign exchange deposits decreased NT\$916 million (US\$35.78 million) to total NT\$129.977 billion (US\$5 billion), while trust funds and foreign currency certificate deposits increased NT\$18 million (US\$703,000) to reach NT\$29.339 billion (US\$1.14 billion).

CBC officials attributed the decrease to a weak US dollar on the international market.

Meanwhile, certificate deposits in Taiwan's financial institutions amounted to NT\$6.587 trillion (US\$257 billion) in April, a single-month record high, the officials said.

The figure represented an increase of NT\$40.7 billion (US\$1.6 billion) from March and an annual growth of 14.14 percent, the officials added.

Officials attributed the April increase in certificate deposits to declines in the stock market and real estate industry.

Central Bank Studies Easing Credit Controls*OW0206101095 Taipei CNA in English
0856 GMT 2 Jun 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — The Central Bank of China (CBC) is studying the feasibility of easing selected credit controls to prevent the aftermath of the recent Hung Pang Construction Co. bad check scandal from disrupting domestic financial stability, a senior bank official said Friday.

"I have ordered related CBC departments to study if it is necessary to ease restrictions on bank lendings to construction firms with land as collateral in the wake of the Hung Pang scandal," CBC Governor Sheu Yuan-dong said.

Hung Pang, a 20-year-old Taipei construction firm, bounced checks worth NT [new Taiwan] \$2.37 billion (US\$92.94 million) in April, sending shock waves through the local property market and banking industry.

The CBC first tightened mortgage loans for construction firms in the late 1980s when real-estate speculation was rampant. The central bank later eased such restrictions, but there are still three restrictions: local banks cannot extend loans with golf courses as collateral, they are prohibited from making mortgaged or unmortgaged loans for land purchases, and they cannot make loans with idle urban land as collateral.

"The three remaining restrictions mainly aim to signify our determination to stem speculative property trading and are not expected to hinder bank lendings to construction firms to finance their normal business operations," Sheu said.

Nevertheless, Sheu said, as the domestic housing market has remained mired in a recession in recent years, the central bank will review the three remaining restrictions to see if they should remain in place, be eased or totally lifted.

He said sluggish housing sales have resulted in financial difficulties for some small- and medium-sized construction firms. Moreover, many local banks are now reluctant to offer loans to construction companies. The Hung Pang scandal was a showcase of the construction industry's current woes.

Worried that Hung Pang's financial crisis might cause a domino effect in the construction industry or the property market, Sheu said the Central Bank will tighten monitoring of local banks' lending activities, particularly those involving large sums of money, to prevent domestic financial instability.

Manufacturing Output Up 20 Percent in Jan-Apr*OW0206095095 Taipei CNA in English
0902 GMT 2 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Taiwan's manufacturing output topped US\$75.7 billion during the first four months of this year, up 20.4 percent from the same period of last year, according to statistics released by the Industrial Development Bureau (IDB) Friday.

The average output per employee reached US\$31,000 during the four-month period, also a growth of 21.3 percent, the statistics showed. However, the average manufacturing production index grew only 6.8 percent during the period, IDB officials added.

Nevertheless, the pace of industrial adjustment was faster during the period, with heavy chemical and technology-intensive industry output accounting for 72.2 percent of total manufacturing production.

Chemical industry output registered the highest growth of 50.4 percent during the period, followed by the paper and pulp industry's 34.8 percent growth, the statistics showed.

Between January and April, the number of newly-established factories reached 2,112, up 8 percent from the year-earlier level, while newly-raised paid-in capital amounted to NT [new Taiwan] \$34.5 billion (US\$1.34 billion), an increase of 82.1 percent, the statistics showed.

The manufacturing production value in April reached US\$21.9 billion, up 27.7 percent from April 1994, while the manufacturing production index grew only 3.3 percent in April.

Meanwhile, more than 30 percent of Taiwan's new manufacturers said they will post profits within three years of beginning business, and 65.8 percent said they will become profitable in three to five years, according to results of a survey released by the Ministry of Economic Affairs (MOEA).

Almost all new manufacturers said they will begin making a profit within ten years, the survey showed.

Private Industry To Benefit From Aerospace*OW0206101695 Taipei CNA in English
0911 GMT 2 Jun 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Taiwan's bid to develop its aerospace industry will

give a boost to the military as well as private industry, according to Lin Wen-li, director of the Ministry of the Defense's Aero Industry Development Center.

After a series of government and private efforts in recent years, Lin said, industries related to aeronautics development, including the electronics and chemical industries, have posted significant progress.

Nevertheless, development of the aeronautics industry still faces some hurdles, Lin added, noting that it requires huge capital investments and many years of effort.

Opponents of the plan have also complained that Taiwan is not ready for such development, noting the laggard development of high-tech industries, Lin added.

Commenting on Taiwan's aerospace development, Vice Economic Affairs Minister Yang Shih-chien has said that the Asia-Pacific has the world's fastest-growing aircraft market and many major aircraft manufacturers have come to the region to seize opportunities here.

Yang said that the next 10 years will be crucial to Taiwan's aerospace development. Taiwan should make every opportunity to cooperate with foreign manufacturers seeking inroads in the region, he urged.

Although the industry will help boost Taiwan's production value by US\$5.6 billion, the real goal of developing an aerospace industry lies in its offset benefits to private industry, including improvements in quality, precision and safety, Yang noted.

Yang added that Taiwan has faced similar difficulties before, especially when it began development of its semiconductor industry. With the cooperation on industry, government and academia, the industry is now thriving and boasts a production value in excess of NT [new Taiwan] \$200 billion (US\$7.78 billion).

Taiwan Shares Economic Development Experience

OW0206111995 Taipei CNA in English
0927 GMT 2 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 2 (CNA) — Taiwan has become a major contributor to the development

of medium and small enterprises in the Third World, economic officials said Thursday [1 June].

The officials made the remarks at the closing ceremony of a seminar on extending Taiwan's development experience to other nations held in Taipei.

The seminar, sponsored by the International Economic Cooperation Development Fund (IECDF) under the Economic Affairs Ministry, brought together 14 officials from Latvia, Mongolia, the Philippines, Indonesia, Fiji, Vanuatu, Nicaragua, Argentina and Paraguay.

IECDF officials said that the seminar aimed at helping the officials learn more about the role of the Taiwan Government in economic development and how it developed medium and small enterprises using a well-planned policy.

Sources noted that the IECDF, founded in 1988 to help friendly developing nations, has shifted its focus from providing loans for major construction works to providing consultation and training for medium and small enterprises.

Statistics showed that IECDF has invited 1,819 officials from friendly nations to participate in similar seminars. The seminar that closed Thursday was one of 16 scheduled for this year.

IECDF officials expressed the hope that seminar participants will take their experience back home and serve as bridges for future bilateral exchanges.

Hong Kong

Further on Hong Kong Court of Final Appeal

Official on Progress of Court

OW0106135695 Beijing XINHUA in English
1335 GMT 1 Jun 95

[FBIS Transcribed Text] Hong Kong, June 1 (XINHUA) — The 7th experts meeting of the Sino-British Joint Liaison Group (JLG) on the issue of the Hong Kong Court of Final Appeal (CFA) has achieved progress, Chinese representative Chen Zuoer said here today.

At a news briefing after the meeting ended this evening, Chen said that on the first day of the meeting, the Chinese experts group on the JLG put forward constructive solution in a package of suggestions on the issue, and today the British side responded positively to them.

He said that during the three-day meeting, the experts on the both sides had devoted to long time formal and informal discussions.

He said, "We now pleased to see that the discussion between the two sides is meaningful and useful. The discussion has achieved progress."

He said that the two sides have decided to hold the 8th JLG experts meeting on the CFA issue, for there remain some problems to be solved.

Both the Chinese and British sides share the objective to meet next week, he said.

Today's meeting lasted about five hours.

The meeting had been originally scheduled for two days from May 30 to 31 and it was extended for a third day on the decision of the two sides.

Local media noted that during the meeting period, Chen Zuoer and Richard Hoare, Chinese and British leaders of the JLG expert groups, mentioned nothing about the differences on the issue, but they refused to reveal details of the proposals and the progress in their three-day discussion.

'Dramatic Turnaround' Viewed

HK0206032795 Hong Kong HONGKONG
STANDARD in English 2 Jun 95 pp 1, 2

[By political desk]

[FBIS Transcribed Text] China and Britain are heading for agreement on the Court of Final Appeal after a dramatic turnaround yesterday. The breakthrough came with British acceptance of what has been described as a "post-remedial mechanism" to prevent miscarriages of justice, sources close to the talks revealed last night.

Such a mechanism, a direct appeal to the sovereign, already exists in Hong Kong laws. Under the CFA bill there is no such mechanism. These sources also revealed that both sides in the Joint Liaison Group have buckled down to discussing the panel of judges for the court.

The talks, clearly proceeding smoothly yesterday, have now been extended for more sessions next week. Yesterday's outcome, accompanied by broad smiles all round, aroused fresh hopes that a Court of Final Appeal may be set up before the handover of sovereignty in 1997.

After the extended four-hour meeting in Kennedy Road, Chinese team leader Chen Zuoer said the British side had responded positively to their "basket" of new proposals put forward on Tuesday. "Today, the British gave a positive response to our suggestions. In these three days, the Chinese and British experts had long, formal and informal discussions. Now, we are happy to see the exchange of ideas has been meaningful.

"Our debate has achieved progress, and we have decided to hold an eighth round of talks because there are still problems to be resolved," Mr Chen said. Pressed for details, Mr Chen said both sides had agreed to say no more than that. However another Chinese official indicated that "we are walking in the right path".

British team leader Richard Hoare agreed that Britain had responded positively to the Chinese. He said: "As Mr Chen said today the British side gave a positive response to the package of proposals the Chinese put two days ago.

"The situation is now that we will be waiting for a Chinese response to our positive response," Mr Hoare said. He added that "the ball is now in the Chinese court". The British team leader added that China's response was important as to whether or not a deal would be struck.

Deputy Secretary for Constitutional Affairs Stephen Lam hoped for more progress next week. "In the past three days, we had useful discussions and we hope to have more progress next week," he said. There were more smiles when the British team reported to the Governor last night.

It was not known yet if the "post-remedial mechanism" would be incorporated in the draft bill. Well-informed sources explained that some of the points agreed could be covered by subsidiary legislation. This could mean that the draft bill would not have to be drastically revised and would allow the administration-imposed deadline to be met.

The administration has insisted on presenting the bill to the Legislative Council during this current session which ends on 26 July. There appears to have been no previous instance of a local case having to resort to "post-remedial" action.

But existing laws allow a convict to appeal directly to the Queen. On the recommendation of the Home Secretary, the Queen can direct that the case be sent back to a court of appeal for reconsideration. The most well-known instance of such an appeal is the case of the Birmingham Six—the six Irishmen who were acquitted in 1991 after serving 16 years of a life sentence for allegedly bombing two pubs in November 1974 in which 21 people were killed and 162 injured.

This "mechanism" is not provided for in the draft bill. China argued that this would not be fair to the Special Administrative Region because it would mean the removal of vital safeguards in the rule of law. China also argued that since this prerogative was vested in the British sovereign, it should, in future, be vested in the Standing Committee of the National People's Congress. It is believed that Britain has now accepted this argument.

Further on Vietnamese Refugee Repatriation

Repatriation Flights Canceled

HK0206032995 Hong Kong HONGKONG
STANDARD in English 2 Jun 95 p 1

[By Lou Palpal-Iatoc: "US Vote Scuttles Repatriation"]

[FBIS Transcribed Text] The voluntary repatriation program for Vietnamese boat people hit yet another snag yesterday after two flights were cancelled when more than 600 returnees changed their minds in the belief that proposed United States legislation may grant them asylum in the West. The US Congress amendment bill calls for the rescreening of 40,000 boat people in the region. But only 500 are believed to stand a good chance of being granted refugee status.

Yesterday, all 260 boat people scheduled for repatriation withdrew from the program, forcing the United Nations High Commissioner for Refugees to cancel the flight. Another flight set for next Tuesday [6 June] was also cancelled yesterday after 400 others withdrew. Only four boat people left on a commercial flight to Hanoi.

UNHCR chief-of-mission Jahanshah Assadi said the boat people changed their minds at the last minute to wait for the result of the US Senate's vote on the amendment bill, which is set to take place next month. "We were told by the returnees themselves yesterday, very clearly, that they didn't want to leave because they wanted to await the outcome of the congressional debate

in Washington," he said. "They had heard on the BBC (radio) there would be a vote scheduled in Congress on the sixth or seventh of June, and that they certainly wanted to await the outcome of the vote," Mr Assadi said. But sources in the US said the vote would take place next month.

The Security Branch said yesterday's move by the boat people was "extremely worrying". "The cancellation of this morning's voluntary repatriation flight was clearly due to the legislation currently being considered by the US Congress," a Security Branch spokesman said. "The US administration is well aware of our concerns over the initiatives in Congress and we shall continue to brief them on developments," the spokesman said.

The Hong Kong dilemma was repeated elsewhere in the region. More than 200 boat people in Thailand also withdrew their applications yesterday for a flight next week. "We anticipate the decline in voluntary repatriation as the US Congress continues to debate on the amendment," Ruth Marshall, a UNHCR spokeswoman, said. "We can't think of measures to encourage voluntary application at present."

Director of the US House of Representatives' Subcommittee on International Operations and Human Rights, Joseph Rees, who conducted the study on the plight of boat people in the region, said the amendment had a strong chance of becoming law because of "a very strong sentiment in the US for the Vietnamese". He doubted that US President Bill Clinton could veto the bill because of its effect on foreign policy. At least 535 boat people detained in the region, half of them in Hong Kong, had a sure chance of being granted refugee status if the rescreening was implemented, Mr Rees said.

U.S. Resolution Criticized

HK0206033095 Hong Kong HONGKONG
STANDARD in English 2 Jun 95 p 14

[Editorial: "US Should Put Up Viets or Shut Up"]

[FBIS Transcribed Text] As predicted, the action of a number of irresponsible American politicians has thrown a spanner into Hong Kong's orderly repatriation program for Vietnamese boat people. Yesterday, a group of Vietnamese boat people decided at the last minute not to fly home, hoping a bill to be debated next week by the US Congress would allow them to be resettled in the US.

Unfortunately, throughout the years that Hong Kong has been coping with the boat people problem, do-gooders in the US and Hong Kong have been long on rhetoric but short on solutions. The people of Hong Kong have shouldered this responsibility stoically. After all, many

were once refugees themselves. But how much longer can they be asked to bear the cost of caring for the Vietnamese? Our economy is going through a difficult patch right now and our unemployment rate is up.

The promoters of the US legislation may believe they are doing the right thing by trying to fulfil the dreams of people they may see as members of an oppressed minority. They may even claim that they were inspired by Emma Lazarus' exhortation to "give me ... your huddled masses, yearning to breathe free".

Every US politician wants to be perceived as the friend of the underdog — especially if he has a large number of Vietnamese-American voters in his state. But people in this region view such matters from a different perspective.

They see this American action as gratuitous and ill-timed meddling in a volatile, sensitive and seemingly intractable local problem. The timing could hardly have been worse as far as Hong Kong was concerned.

The immediate and obvious effect of their action is that the clearing of Vietnamese camps in the region is expected to be delayed as boat people start withdrawing their applications for voluntary repatriation.

United Nations High Commissioner for Refugees Chief-of-Mission Jahanshah Assadi confirmed that the boat people changed their minds at the last minute because they wanted to wait for the result of voting in the US amendment which seeks the re-screening of more than 40,000 boat people in the region.

The bill which was passed by the House of Representatives last week will be debated in the US Senate on 6 June. The UNHCR had no alternative but to cancel two repatriation flights scheduled for yesterday and 6 June when more than 600 boat people in Whitehead Detention Centre decided not to fly home.

Refugee Co-ordinator Brian Bresnihan was certainly not overstating the case when he described yesterday's move by the boat people as "very worrying". More than 200 boat people in Thailand, who were scheduled to leave next week, also withdrew their applications.

It's time these do-gooders did something concrete — like putting up the money for caring for the boat people. If they can't do that then they should shut up and let Hong Kong get on with the task of clearing the boat people camps before the handover.

Hong Kong Figures Show Increase in Unemployment

OW0106133995 Beijing XINHUA in English
1308 GMT 1 Jun 95

["Roundup" By Li Huailin: "Rising Jobless Rate Hits Hong Kong"]

[FBIS Transcribed Text] Hong Kong, June 1 (XINHUA) — The latest staff redundancy announcements which leave over 1,600 workers jobless have caught public attention in Hong Kong.

A total of 741 workers at Victoria Hotel will lose job when the hotel closes its doors today to give way to an office and shopping complex.

The closure came as Hong Kong continued to reel from news of a 3 percent unemployment rate — the highest in nine years, and Hang Seng Bank's prediction that the rate would climb higher.

Windsor Industrial Subsidiaries, a major clothing manufacturer, announced last week that 600 workers would be laid off after it decided to move out of Hong Kong.

Meanwhile, Adams Parking, management contractors for 77 Housing Authority estate car-parks, decided to change the roster from three shifts to two, which mean laying-off about one third of the company's 1,000 workers.

Last month, 1,000 employees lost their jobs when Hilton Hotel closed.

Local media reported that most of the 4,000 hotel employees laid off last year lost their jobs because of hotels being redeveloped into commercial blocks.

According to Hang Seng Bank's latest monthly report, the jobless figure last year was 78,800.

The report said that labor demand within the services sector in Hong Kong is already weakening, with retail sales and business firms cutting back on recruitment.

It noted that at a time when workers are still being displaced from the manufacturing sector — with further relocation of production bases to China — the recent slowdown in economic activities could reduce the absorption of such displaced workers by the services industries.

The Federation of Trade Unions in Hong Kong called a special meeting Wednesday to discuss the aggravated unemployment situation, claiming that the rising unemployment rate implicated a sluggish tendency in Hong Kong's economy.

It urged the government to take specific measures to help the jobless workers shift to other lines.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

END OF

FICHE

DATE FILMED

5 JUNE 1995

